FBIS DAILY REPORT

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WARSAW PACT DEFENSE MINISTERS TO MEET IN DECEMBER

LD271156 Belgrade TANJUG in English 1108 GMT 27 Nov 79 LD

[Text] Warsaw, November 27 (TANJUG)--The defense ministers of the Warsaw Treaty member countries will meet in December in Warsaw in order to discuss, it is reported here, the "current activities" of the military organs of this alliance.

The date for the Warsaw Treaty Committee session has not been published, but it is believed that the defense ministers of the Warsaw Treaty member countries will meet in Warsaw immediately after the December NATO summit.

Local well-informed observers are convinced that the December meeting of the Warsaw Treaty Committee will be exceptionally important because, if the West decides on installing U.S. nuclear middle-range missiles in Europe, the new strategy of the Warsaw Treaty member-countries defense will be (?set) down.

SOFIA SPACE SYMPOSIUM DISCUSSES INTERCOSMOS ACTIVITY

AU221700 Sofia BTA in English 0810 GMT 22 Nov 79 AU

[Text] Sofia, November 22 (BTA)--The results of the near space research with the "Intercosmos-19" satellite launched from the territory of the USSR nine months ago have been reported at the international space physics sympsoium held in Stara Zagora.

The major target of this research work was to study the ionosphere in the maximum of the 21st solar activity cycle. The "IS-338" Soviet ionospheric station and the "SF-3" device for measuring photelectron fluxes, Czechoslovak spectrometric and Polish radiometric equipment and two Bulgarian apparatuses were to do the job. The first Bulgarian apparatus, "P-4", constructed at the Central Space Research Lab with the Bulgarian Academy of Sciences, was devised to measure the concentrations and temperatures of the electrons and the ions. The second, "EMO-1", made by the researchers of the observatory in Stara Zagora, records the distribution of light emissions in the higher atmosphere.

All data reported by the Soviet, Polish, Czechoslovak and Bulgarian physicists at the symposium testify to a intensive activity of the energy particles in the ionosphere this year. The highest concentration of electrons, both in daytime and at night, in the last 10 to 15 years was reported by the scientists.

The Bulgarian spectrophotemeter "EMO-1" recorded bright atmospheric glow not only in polar regions (the auroras) but also in the area of the so-called tropic arcs, at latitude of 20 to 30 degrees. No scientific explanation has been found for this phenomenon yet but scientists maintain that it might be caused by intensive ionospheric activity.

"Electron showers" with charges of 1 to 150 kiloelectron-volts in the southern hemisphere, which were then transmitted by the magnetic lines into the northern hemisphere, were registered by the Soviet "SF-3" device.

HUNGARY'S PUJA CALLS FOR IMMEDIATE ARMS REDUCTION TALKS

AU211325 Budapest MAGYAR HIRLAP in Hungarian 18 Nov 79 p 3 AU

[Article by Foreign Minister Frigyes Puja: "Negotiations Should be Initiated Immediately"]

[Text] Numerous signs have recently indicated that compared with the dynamic pace of the previous years the process of detente is not progressing at a sufficient rate but, indeed has come to a standstill, a halt. A major reason for this is the failure to attain any decisive successes in the area of military detente to date, the fact that the negotiating sides could not come to terms on disarmament measures that might impart a new impetus to the process of political detente.

The world expects a great deal from the Soviet-U.S. negotiations aimed at limiting strategic weapons. It is known that SALT II, which is related to this, was signed at the Vienna Soviet-U.S. summit meeting. The procedure of the treaty's ratification is underway and the treaty will come into effect when it is ratified by both the U.S. Senate and the Supreme Soviet of the Soviet Union.

World public opinion, including Hungary, is hoping that the effect of SALT II will improve the international atmosphere, have a stimulating impact on the negotiations underway about various aspects of disarmament and pave the way for SALT III, that is, for negotiations that would envisage a reduction of strategic offensive weapons and not only their limitation, as is stipulated by SALT II.

The combined effect of all this would foster considerably the cause of political detente. It would favorably influence the Madrid meeting planned for November 1980, which will be devoted to the implementation of the Helsinki Final Act, and it would have a positive impact not only on Soviet-U.S. bilateral relations, but also on relations between the socialist and the advanced capitalist countries in general.

All this seems logical. However, there are forces in the capitalist countries that would like to halt the further gaining of ground by detente and are leading toward an intensification of international tension, with certain groups heading perhaps even toward preparing for a new war. The aspirations of the U.S. military-industrial complex and the capitalist monopolies interested in the production of weapons, the activity of the Zionist lobby and the efforts of the U.S. and West European conservative and reactionary forces are well known in this connection. Also, the position of the Chinese leaders is far too well known: In their anti-Soviet blindness, guided by their hegemonistic and expansionist policy, they are risking an excessive intensification of the armament of the Western world and a new war between the Soviet Union and the socialist countries and the West. This has become clear, among other things, from Chinese President Hua Guofeng's West European visit.

The opponents of detente and peace pin their hopes on an intensification of armaments. They are considering military measures that would upset the present very sensitive military balance of power and would open another phase of the arms race. According to the communique issued on the 1 November 1979 session of the MSZMP Central Committee: "The Central Committee noted that extremist imperialist circles are making every effort to intensify the arms race and are continuing their propaganda campaign to poison the international atmosphere. Their endeavors to deploy additional nuclear weapons in some European NATO countries are aimed at upsetting the existing military balance of power."

U.S. and West European leading circles are in a great hurry to prepare the steps they are planning. However, what is the reason for such haste? The reason is precisely that which has been noted by the Central Committee: The NATO leading circles have set themselves the aim of attaining, in a short time, a military superiority over the Soviet Union and the rest of the socialist countries. In the Senate Foreign Relations Committee, U.S. Secretary of Defense Harold Brown pleaded for an annual 3 percent increase of the Pentagon's military budget, which amounts to an astronomical sum in any case. Brown stated: If the sum allotted to NATO programs is made available, then NATO will evidently attain a military superiority vis-a-vis the Warsaw Pact countries by the mid-eighties. This is the essence of the matter, this is why the new types of missiles intended for 5 West European countries--the FRG, Britain, Italy, Holland and Belgium--are needed and not because the Soviet Union has become superior and West Europe "defenseless."

Thus, the objectives remain the old ones and the methods are not new, either. As was the case on every occasion when NATO planned new steps in the area of armament, the Soviet Union and the Warsaw Pact are being accused of excessive armament. It is thus that they want to make their own steps against peace acceptable to their own public opinion. They are alleging now, for instance, that the Soviet Union has shifted the European military balance of power in its favor by the deployment of SS-20-type missiles.

Needless to say, the reference to Soviet military superiority is only a pretext with which NATO would like to justify its plans, which are diametrically contrary to the requirements of peace and security. The Soviet leaders have asserted more than once: The Soviet Union is not striving for military superiority. Its position is based on the principle of equal security and it desires peaceful coexistence with the capitalist countries.

The most staggering aspect of the matter is that, according to indications, even the leaders of European NATO countries are unwilling to engage in negotiations on this issue. Of course, they cannot openly state that they do not want to discuss the issue of the medium-range missiles. Therefore, they are resorting to obfuscation and allege that it is the Soviet Union that does not seriously want to negotiate. Leonid Ilich Brezhnev's 6 October statement was a telling answer to this. "As for a practical solution of the weapons concerned," said Brezhnev, "there is only one way for it: the beginning of negotiations. The Soviet Union is of the opinion that negotiations must be initiated without delay. We are prepared to do so. The matter depends on the response of the Western countries." If the intentions of the NATO countries' leading circles are sincere and honest, why do they not seize this favorable opportunity and why do they let themselves be stampeded into some irreparable steps? It seems to us that certain leaders of the NATO countries do not even want to listen to sensible arguments, but keep repeating their coordinated text about Soviet military superiority, West Europe's "defenseless" position and so forth. The only explanation for this is that, behind the scenes, they have, in essence, already decided on the issue of the production and deployment of the missiles in question.

Being quite certain that truth is on their side, the Soviet Union and the Warsaw Pact countries are opposing these dangerous developments. [paragraph continues]

In contrast to the obvious Western falsifications, Leonid Ilich Brezhnev, general secretary of the CPSU Central Committee, most emphatically declared: "During the past 10 years, we have not increased the number of medium-range nuclear weapons carriers on the territory of the European part of the Soviet Union by a single missile, by a single plane. On the contrary, we have even decreased somewhat the number of the launchers of medium-range missiles, as well as the yield of the nuclear charges of these missiles. We have also reduced the number of medium-range bombers, and the Soviet Union does not deploy such weapons at all on the territory of other countries." Thus, the allegations from NATO circles that the Soviet Union has increased the number of its missiles and the yield of their charges are untrue.

As is borne out by many of our statements, we Hungarians are extremely interested in the consolidation of peace and security and the intensification of the detente process. We make no secret of the fact that we are alarmed by what is taking place in the West in the area of armament. We are concerned about detente and alarmed by the machinations of the reactionary circles interested in armament. It is particularly disagreeable that certain leading circles of the European NATO countries might be prepared to jeopardize the achievements of detente to date.

The danger is great. If, intead of peaceful coexistence and mutual cooperation, the European NATO countries should take new steps to rekindle the arms race, they would launch a process whose harmful effects would be strongly felt by the peoples of Europe as a whole, including their own peoples.

What should be done to avert this danger?

The first and most important task is: Sit down to the negotiating table! The leading NATO circles are mistaken if they believe that, on the basis of the known cliche of the policy of strength, they can extract concessions from the Soviet Union and the rest of the socialist countries. The Soviet Union's leaders have declared clearly and resolutely: If the NATO Council of Ministers passes a resolution in December in favor of the production of medium-range missiles and their deployment in Europe, then the socialist countries could not do anything but make the necessary decision to safeguard their peoples' peace and security. Therefore, if the NATO countries really do desire a reduction of armaments, as they proclaim, then there is no other way than to negotiate. If this is the case, they will have to refrain from rash and irreparable steps. Leonid Brezhnev was right when he emphasized in his 6 October statement "it is important, however, that no hasty actions be taken which might complicate the situation or obstruct the attainment of positive results. There will be a greater chance of obtaining such results if no decisions are taken on the production and deployment in West Europe of the medium-range nuclear weapons pending the outcome of negotiations. Conversely, the chances would be made doubtful if decisions are made on the issues by NATO, all the same." Great responsibility is assumed by those who evade this clear offer of negotiation.

Also, the rest of the proposals of the Soviet Union and other socialist countries deserve serious attention. Leonid Ilich Brezhnev announced on 6 October that the Soviet side is going to reduce unilaterally the complement and armament of the Soviet troops stationed in the GDR: In the coming 12 months, 20,000 Soviet soldiers and 1,000 tanks would be withdrawn. Anyone would think that this would be studied with suitable seriousness in the West, since, at the Vienna troops reduction talks, the NATO countries' representatives are demanding, as an "additional norm," the withdrawal of 39,000 more Soviet soldiers and of 1,700 tanks. [paragraph continues]

However, now that the Soviet Union is going to fulfill unilaterally more than half of this demand, the West is reluctant to respond and views the measure as unsatisfactory. This reaffirms our previous conclusions: The reason we have been unable to progress for as long as 6 years at the Vienna troop reduction talks is that our NATO partners are not prepared to come to terms, and the NATO countries do not respond to other proposals of the Warsaw Pact countries, either. Some time ago, the Warsaw Pact countries proposed to NATO that all the countries that participated in the European Security Conference should disavow being the first to use either nuclear or conventional weapons against each other. Silence is the response to this proposal. The NATO countries did not answer satisfactorily the proposals to strengthen trust that were elaborated at the conference of the Warsaw Pact foreign ministers in May this year, either. How can one explain the NATO countries' attitude? One can only conclude that NATO is evidently striving to intensify the arms race and that the socialist countries' disarmament proposals and proposals aimed at fostering detente do not fit into their concepts.

Without intervening in the domestic affairs of the European NATO countries, we would like to call attention to a few things:

It should be realized at last that the time when imperialism dictated to the world is irretrievably gone. No one can question the socialist countries' right to defend their interests and their own borders and to create their own security. Only on this basis and only through fully asserting the principle of equal security in the area of armament is it possible to create peace and security in Europe.

Deploying medium-range missiles in West Europe does not serve European interests but serves the interests of U.S. strategic objectives. This is nothing but an evasion of SALT II, since a large part of the Soviet Union's European territory can be reached with medium-range missiles from West Europe, while the United States is not vulnerable through such missiles. The hands on the starting buttons of the missiles will not be West European hands and a counterstrike may turn West Europe into a radioactive cemetery. Thus, essentially, the guiding of their own destiny slips out of the hands of the European NATO countries. Does this lie in the interests of West Europe? Hardly. Western politicians are in the habit of referring also to U.S. domestic political requirements. Western "defense" policy is sailing into dangerous waters if it permits the "boosting" of the chances of the reelection of some senators, some groups of senators or others through such irreparable measures.

The experience of the struggle for détente proves that an issue of such magnitude as the decision about to be made by NATO cannot be left to the NATO general staff or individual governments alone, since the consequences of this dangerous policy would have to be borne primarily by the working people. Therefore, the peoples, the West European parliaments and all the forces struggling for peace and security must also make their voices heard. We do not believe that the advanced capitalist countries lack the sober-minded and influential forces wanting to call a halt to the West European NATO circle's policy, which is fraught with danger. We do believe that, if all European supporters of peace and security join forces, the realization of the concepts, which are so dangerous for European peace and security, can be prevented.

ARMY DAILY DENOUNCES U.S. 'GUNBOAT DIPLOMACY'

AU271318 Sofia NARODNA ARMIYA in Bulgarian 24 Nov 79 p 3 AU

[Ivan Undzhiev's "International Weekly Review"]

[Excerpt] History has shown that "gunboat diplomacy" never achieves positive results and is harmful not only for the victims, but also for those who practice such methods to further their own interests. Nevertheless, we have recently been observing an exacerbation of such trends in U.S. foreign policy, trends that are characteristic of this "gunboat diplomacy" that has suffered numerous failures in the past.

More and more frequently, and in an increasing number of areas of the world the United States is trying to frighten the people struggling for their peaceful and independent development along the path of progress with gross demonstrations of its military strength. The goal of such a policy is obviously always the same--to preserve, as far as is possible, American domination wherever it already exists, or somehow to restore the lost positions of American imperialism in a number of areas throughout the world. It would be logical to assume that similar attempts are doomed to failure from their very beginning, but official circles in Washington do not think so.

Last week the U.S. military maneuvers in the Caribbean came to an end. They were concentrated on the U.S. base of Guantanamo. Over 2,000 marines, as well as the members of the Cherry Point air wing and squadrons of helicopters from the New River Air Station (the base in the state of North Carolina) participated in these exercises. A new U.S. marine unit was created in the Caribbean. It is well known how noisily these exercises were advertised at their beginning and we know about Washington's attempts to link them to the inconsistent assertions about the alleged threat stemming from the so-called "Soviet brigade" stationed in Cuba. Naturally, President Carter, personally, denied these allegations, but regardless of all this, the maneuvers took place and increased the tension in that area. Public opinion throughout Latin America denounced these maneuvers' with indignation and called them an "unnecessary demonstration of strength," an "attempt to threaten and put pressure on the Caribbean countries", as well as "a policy of adventurism and of jeopardizing peace," and so forth.

We must admit that all these definitions also apply perfectly to U.S. actions in other areas of the world. Let us take South Korea, for example. Taking advantage of the assassination of the dictator Pak Chong-hui, Washington sent new contingents of troops to that country and increased the number of its naval ships along the shores of the peninsula. While implementing new military maneuvers Washington constantly declares "its support" for the new leadership in Seoul. In this case too, the goals are barely masked by diplomatic phraseology--and these goals are to perpetuate the division of the country and to prevent the Korean people's peaceful reunification, as well as to preserve the U.S. military presence in that area.

Undoubtedly, however, the greatest alarm was caused this week by Washington's overt threats to use military force in settling its conflict with Iran, caused by the detention of a group of hostages in the American Embassy in Tehran. In support of the verbal statements, the aircraft carrier Kitty Hawk started to sail to the Persian Gulf, accompanied by five military ships from the naval base of Subic Bay, which will join the U.S. naval ships patrolling in the Indian Ocean. This new increase of the U.S. military presence in that area is in contradiction with the interests of the peoples living in that region, who would like to transform the Indian Ocean into an area of peace, or as the Indian daily JANYUG put it, the safety of 1 billion people is threatened.

Obviously, the return to "gunboat policy" does not contribute to the settlement of international problems. It only harms the cause of peace and leads to an unnecessary exacerbation of the atmosphere throughout the world.

ZEMEDELSKO ZNAME CONDEMNS U.S. 'SHOW OF STRENGTH' IN INDIAN OCEAN

AU280946 Sofia ZEMEDELSKO ZNAME in Bulgarian 24 Nov 79 p 4 AU

[Petur Kalchev article: "Provocative Show of Strength"]

[Text] Amid the constant stream of news items coming in this week, the reports on a drastic intensification of Pentagon maneuvers in the Indian Ocean were particularly conspicuous. This fact could not go unnoticed by public opinion in the countries situated on the shores of the Indian Ocean, as well as by people throughout the world. It was therefore no coincidence that many demonstrations against Washington's intensified military presence and menacing behavior have recently taken place in India, Bangladesh, Pakistan and in many other places inhabited by a billion people.

The U.S. mass media carried news items about plans on interference, including armed interference, in this area. These plans are being concocted by the U.S. military clique and such facts undoubtedly contribute to increasing tension.

The Pentagon's interest in the Indian Ocean is well known. We also know of the "theory" about the so-called "arc of crisis" (a special curve drawn up by Z. Brzezinski, the U.S. presidential adviser, passing through the African and Asian shores of the Indian Ocean). It is no coincidence either that the United States has been taking measures to strengthen its military potential in the Indian Ocean for a long time. Now, in addition to the aircraft carrier Midway which is sailing in the immediate vicinity of Iran, the aircraft carrier Kitty Hawk is also heading for that area, accompanied by 5 more navy ships. Since the beginning of November the 101st U.S. Airborne Division, which is the backbone of the so-called "quick reaction" corps, has been carrying out exercises in the state of Kentucky. The goal of these maneuvers is to train and prepare army contingents for "immediate transfer to various areas of the world."

The expansion of the military and naval presence of the United States in the Indian Ocean represents an essential part of the Pentagon's plans to create a fifth fleet. At the present moment, squadrons of the 6th Fleet, which is based in the Mediterranean, and squadrons of the 7th Fleet, which is based in the eastern Pacific, are operating in that area. The United States is speeding the updating and expansion of its air force and naval base on Diego Garcia island in the middle of the Indian Ocean.

It is obviously the Pentagon's wish to appropriate the "right" to play gendarme in that area. It is not difficult to understand, however, how anachronistic a repetition of the "gunboat" policy appears and how much such a policy is at variance with the needs of peace and security. This is particularly the case when such behavior assumes a global character. The recent show of strength in the Caribbean, the provocative landing of U.S. troops in the base of Guantanamo, and the sending of 7th Fleet units to the shores of Vietnam, as well as the actions of the U.S. naval forces in the Persian Gulf--all these things show that Washington has by no means learned from the failures of its policy of arrogance and expansionism.

MEDIA REPORT ON DANGERS OF U.S. MILITARY MOVES

AU261330 [Editorial Report AU] Although there has been previous reportage on possible U.S moves against Iran in the Bulgarian media, since 24 November Bulgarian Radio has carried the following reports:

Sofia Domestic Service in Bulgarian at 1030 GMT on 24 November reports on an Iranian Air Force exercise in Shirah and on the readiness of oil workers to defend their important oil projects, together with the army, "in case of U.S. attack." The item also refers to the Washington POST interview with Iran's Washington charge d'affaires on the good condition of the hostages in Tehran. The same item is repeated at 1830 GMT on 24 November.

Sofia Domestic Service in Bulgarian at 1830 GMT on 25 November carries a news item on the Iranian students' appeal for an anti-American demonstration," which was obeyed by thousands of people. "The same item reports on U.S. Congressman Hansen's visit to the hostages at the embassy. The item also reports the Iranian foreign minister's declaration that any U.S. military operation against his country is likely to bring about a serious conflict. He stressed the full mobilization of the Iranian people and their readiness to defend their country against any provocations.

Sofia Domestic Service in Bulgarian at 0830 GMT on 26 November carries an item on UN Secretary General Waldheim's call for a special Security Council meeting to discuss the U.S.-Iranian conflict. Sofia Domestic Service in Bulgarian at 1030 GMT on 26 November carries the same item, adding Waldheim's statement about the great danger of the conflict, which represents a threat to international peace. The same newscast carries another item stating that situation of the U.S. hostages in Tehran remains unchanged and that Pentagon spokesman Clifford Alexander is leaving on a 10-day tour of Israel, Egypt and Sudan to discuss certain military aspects of cooperation with those countries in view of the present situation in Iran.

AGRICULTURAL COOPERATION AGREEMENT SIGNED WITH U.S.

AU272027 Sofia BTA in English 1842 GMT 27 Nov 79 AU

[Text] Washington, November 27 (BTA correspondent)--At the invitation of the U.S. secretary of agriculture, Mr Robert Bergland, a Bulgarian delegation, headed by Mr Vasil Tsanov, chairman of the National Council of the Agro-Industrial Union, is on a visit here.

During the talks held, Mr Bergland and Mr Tsanov signed a long-term agreement for cooperation between the USA and Bulgaria in agriculture. The agreement, valid for five years, provides for the establishment of cooperation in agricultural science and technology, exchange of agricultural and statistical information, development and expansion of trade agricultural links, etc.

After the talks and the signing of the agreement, the Bulgarian delegation visited the research agricultural centre in Beltsville near Washington. Interesting and useful talks ensued with the board and scientists of this centre.

Today the Bulgarian delegation left on a tour of various agricultural projects to become familiar with some new developments in US agriculture.

IRAN PUTS NAVY ON ALERT, CANCELS FOREIGN DEBTS

AU271150 Prague RUDE PRAVO in Czech 24 Nov 79 p 7 AU

[Text] Tehran/Washington, 23 November, CTK--On Thursday [22 November] the Iranian Navy was put on a state of alert. At a press conference in Tehran Iranian Minister of Foreign Affairs Bani Sadr stressed that "President Carter threatens Iran with war which is much more serious than the threats by the Iranian students against the hostages." He declared that Iran is "ready to defend itself to the last breath."

In a speech that was carried by the radio and television on Thursday Sadeq Qotbzadeh, member of the Islamic Revolutionary Council and director of the state radio and television, expressed, however, doubts that the United States might use military force against Iran. He recelled that should the United States attempt to liberate the hostages, "it would expose them to an even greater danger." He stressed that the American hostages suspected of espionage against Iran will certainly be tried in a court.

After the unsuccessful attempt of George Hansen, member of the U.S. House of Representatives, to meet with the students who have been in control of the U.S. mission in Tehran for the past 19 days, the well-known lawyer Sean McBride arrived in the Iranian capital on Friday [23 November] and he, too, will try to negotiate about the American hostages.

In the meantime the American aircraft carrier Kitty Hawk, accompanied by several other warships, is approaching the Persian Gulf. On Thursday the New York TIMES wrote that the United States will have 20 vessels in the vicinity of Iran, two of them aircraft carriers. The same paper reported that the closest U.S. ground combat force to Iran is now a 1,500-man Marine unit, situated on the vessels of the U.S. 6th Fleet south of the coast of Turkey.

U.S. President James Carter declared that should one of the hostages held at the American Embassy in Tehran be hurt, there would be "very grave consequences." After Carter's meeting on Friday with his top diplomatic and military advisers in Camp David, Jody Powell, the White House press spokesman, stated that there were no new developments in the U.S.-Iranian crisis but that the United States was leaving the diplomatic channels open. "The fact that those diplomatic channels are alive is encouraging," J. Powell said.

In Tehran the Iranian Minister of Foreign Affairs Bani Sadr declared that Iran would not repay the shah regime's foreign debts. According to him those debts amount to $15 billion. Sadr's declaration is at variance with the assurance made by the Iranian Central Bank on Thursday that Iran intends to "honor its international financial commitments."

IRANIAN ARMY BEGINS MANEUVERS AS U.S. FORCES INCREASE

AU281105 Prague RUDE PRAVO in Czech 26 Nov 79 pp 1, 6 AU

[Excerpts] CTK--The American administration is now studying possibilities of a "retaliatory strike" against Iran. [paragraph continues]

It would be most probably aimed against the Iranian oilfields, and Kharg Island in the Persian Gulf, which is the main Iranian port for oil tankers. American officials fear that damage to the Iranian oil industry could, however, result in aggravated relations between the United States and its allies in Western Europe and Japan, which are large consumers of Iranian crude oil.

The Iranian radio has announced that paratrooper units attached to the Iranian Air Force started exercises at an airport in Shiraz, in the southeastern part of the country. The radio added that oilfield workers in that part of Iran expressed their resolve to join the army in defending those vitally important installations.

General Fallah, commander of the Iranian ground forces, accused the United States of trying to turn Iran into a new Israel, to be able to preserve the balance of power in the region. In the event of U.S. military intervention, General Fallah declared, the army and the people of Iran are resolved to fight to the last drop of blood.

The Italian paper PAESE SERA has reported that the U.S. aircraft carrier Nimitz with 100 aircraft on board left Naples for the Persian Gulf. The flagship of the U.S. 6th Fleet--the missile cruiser Albany--is on the way from the port of Gaeta to the Persian Gulf.

U.S., IRANIAN MILITARY PREPARATIONS; BLOCKADE PROBABLE

AU2711?2 Bratislava PRAVDA in Slovak 26 Nov 79 p 5 AU

[Excerpts] Washington, CTK--On Saturday [24 November] U.S. President James Carter met Secretary of Defense Harold Brown and the U.S. Joint Chiefs of Staff in Camp David in Maryland to discuss the Iranian crisis. The deliberations were also attended by Zbigniew Brzezinski, President Carter's adviser on national security affairs. As reported by Western agencies, the meeting had been scheduled long ago, but the object of deliberations was to have been the defense budget for 1981. U.S. congressional sources state that an "economic blockade," supported by American warships, is far more probable than a military attack against Iran. According to government figures, any reprisal action depends on further developments in Iran.

Ahmed Madani, commander in chief of the Iranian naval forces, declared on Saturday [24 November] in an interview with American journalists that, in his opinion, the U.S. Navy maneuvers in the Indian Ocean are a mere "show of force." In case the American warships penetrate the Persian Gulf, Madani stated, we will not attack them, but if the Americans attack, we will defend ourselves. That is our natural right.

Cairo--The NATO Pact forces have been put on combat alert, so as to prepare them for intervening in case of American military action in Iran. That was announced by the AKHBAR AL-YAWM daily. Referring to trustworthy Western diplomatic circles, the daily claims that the NATO forces' alert was declared secretly and that the United States is already undertaking all necessary preparations for military intervention. The extent the military intervention would have is so far not known, but it is expected that the Americans would occupy the oil fields near Abadan.

Delhi--The Communist Party of India has resolutely condemned the transfer of warships of the U.S. 7th Fleet from the Pacific to the Indian Ocean and the further militarist intervention plans of American imperialism, carried out under the pretext of liberating the hostages that are being kept at the U.S. Embassy in Tehran.

U.S. BECOMING INCREASINGLY MILITARISTIC IN FOREIGN AFFAIRS

AU271325 Prague RUDE PRAVO in Czech 24 Nov 79 p 7 AU

[Milan Nadr commentary: "Finger on the Trigger--Against Whom?"]

[Text] When in the Middle Ages waves of deadly plague engulfed cities, apothecaries handed out practically useless medications to the rich with special tongs so as not to come into contact with the sick. Today, it would seem that responsible statesmen should behave equally carefully when handling military force. Lately, however, U.S. policy resounds with an increasingly harsher military tone, with increasingly loud Saber-rattling.

We witnessed it in connection with the shameful and provocative Cuban affair, crowned by the American landing on Cuban territory at Guantanamo base, and with the ostentatious, ominous maneuvers in the Caribbean Sea area. It emanates from the plan to deploy in Western Europe hundreds of new and powerful nuclear missiles, also aimed at our country. The establishment of mobile emergency units constitutes the creation of an instrument exclusively designed for armed intervention and aggression abroad.

The clouds of American threats have been accumulating over Iran of late. Although only a few days ago official representatives were denying the possibility of using force to resolve the situation connected with the handing over of the shah and with the American hostages in Tehran, now--after a fairly sharp about face--in the United States military action against Iran is not only discussed but acted upon. The transfer of American naval vessels to the Iranian coast (among other things) of the aircraft carrier Kitty Hawk, whose aircraft killed in Vietnam and devasted that country for years is evidence of that. The United States would like to drag in as deeply as possible those Western European countries that would lend themselves to such developments.

It is surprising what arguments are being employed for the outcome of the planned military action to be as successful as possible. According to sources in the U.S. Congress, the complex of American measures is to simultaneously demonstrate support for Saudi Arabia. The question is who threatens that country? the only threat comes from the United States, which, after all, made it clear that the emergency units would be deployed precisely in countries like Saudi Arabia--for example, should it not be willing to pump as much oil as the United States considers necessary, or, in a better case, it could happen to that country that the United States might block its property in American banks, just as happened to Iran, a matter which, by the way, can happen to any country relying on U.S. banks.

Some hot-blooded commentators are writing in the bourgeois information media nowadays that the United States has been rapidly freeing itself of the so-called Vietnam syndrome, that is, following the defeat of its aggression in Vietnam its hesitation to militarily intervene on a broader world scale. From that it would follow, however, that currently when it rattles its sabers it does not apply to Iran alone. It consitutes a threat to all international development and, not least, to the developing countries as a whole.

REPORTAGE ON 'DAYS OF MOSCOW,' VISIT BY CPSU'S GRISHIN

Kapek Inaugurates Festivities

LD211902 Prague Domestic Service in Czech 1803 GMT 20 Nov 79 LD

[Speech by Antonin Kapek, member of the CPCZ Central Committee Presidium and chief secretary of the Prague city party committee, at the opening ceremony of the "Days of Moscow" in Prague--live]

[Text] Esteemed Comrades: Allow me to open the ceremonial meeting with which we are inaugurating the "Days of Moscow" in Prague--this great demonstration of the friendship between our nations and between the working people of Prague and Moscow. First, on behalf of us all, I welcome most cordially our dear friends, the delegation of the Moscow Gorkom, headed by Comrade Viktor Vasilyevich Grishin, member of the CPSU Central Committee Politburo and first secretary of the Moscow Gorkom. [applause]

Along with him I also cordially welcome the members of the delegation, leading representatives of the party and state organs of the capital city of the USSR. These include state organs of the capital city of the USSR. These include Comrade Aleksandr Fedorovich Promyslov, member of the Communist Party Central Committee and chairman of the Moscow Gorispolkom; [applause] (Aleksandr Sukhonov), hero of socialist labor and brigade leader of the comprehensive brigade of the Moscow Metrostroy; [applause] and the head of the Department of International Relations of the Moscow Gorkom, (Lya Mikhailovna Tertsiova). [applause]

I am pleased to be able to welcome at our ceremonial meeting the ambassador of the USSR in Czechoslovakia, Comrade Vladimir Vladimirovich Matskevich. [applause] I cordially greet the large delegation of the Moscow working people, the participants in the Moscow days in Prague, and all our Soviet guests. [applause] We greatly looked forward, dear friends, to your arrival in Prague and while you are among us, the citizens of Prague, we want you to feel truly at home.

Allow me also to welcome at our meeting the delegation of the CPCZ Central Committee, led by Comrade Alois Indra, member of the CPCZ Central Committee Presidium and chairman of the Federal Assembly. [applause]

Naturally, I also wish to welcome all of you, the working people of the capital city of Prague, and all our distinguished guests. [applause]

Comrades: The significance of the profound friendship between our nations and the close, comrade cooperation between our parties are irreplaceable. It is a fundamental value that permeates our daily life and makes it possible to build a new, socialist and communist society. It is the basic pillar on which rests our national security, the peaceful life of our nations and the generations to come. We recall these facts once again in the course of this celebration of the 62d anniversary of the Great October Socialist Revolution. The USSR, born during the Great October at the cost of enormous sacrifices, won again its national and state independence, and through its victory over fascism, it saved the very existence of our nation and of Prague. Anyone who went through the misery of can especially value the fact that we have been living in peace for 4 decades. In this, the most basic certainty in the life of mankind, we unequivocally support the efforts of the USSR to avert war and secure peace for ourselves and for future generations. Today, we also want to express our great gratitude and appreciation for everything that is being contributed to the struggle for peace by the CPSU Central Committee, its Politburo, and Comrade Leonid Ilich Brezhnev personally. [applause]

We ask you, dear Soviet comrades, to convey to Comrade Leonid Ilich Brezhnev our sincere wishes for many creative successes in his responsible work for peace and communism. [applause]

Comrades: The representatives of our communist parties, Comrade Leonid Ilich Brezhnev and Comrade Gustav Husak, have stressed many times that the decisive question of current developments lies in unity and cooperation among the countries of the socialist community, and that this cooperation not only links but also multiplies our joint forces. We jointly strive with our Moscow comrades to contribute to this end with all our might, with our best efforts. We believe that this year's celebration of Moscow days in Prague will serve as a time to take stock of our cooperation so far, its culmination during the past years and, at the same time, they will serve as an impulse for the further development and intensification of this cooperation.

Prague, after the 14th and 15th party congress, has entered into a stage of changes which in their extent and depth have no parallel in the entire 1,000 years of the history of our city. The cooperation and assistance of the USSR and, especially, our cooperation with Moscow, is of key importance in this, be it merely by setting the correct directions for the development of our city so that it is truly multifaceted, balanced and comprehensive. Our multifaceted cooperation with Moscow is for us a rich source in finding solutions to a number of key tasks in the reconstruction of Prague. In this cooperation we find inspiration and experiences in our endeavors to change Prague into an exemplary socialist city.

An example of how Soviet cooperation and aid has contributed in an invaluable manner to the development of the city--as has been stated many times--is, for all our fellow citizens, the Prague Metro. This, the most current and greatest project of Czechoslovak-Soviet cooperation, is helping us very effectively in the solution of the problems of city transport, of the environment and of other important questions affecting the daily life of the citizens of Prague. We know full well how much we are indebted in this connection for the concrete help given by Moscow organizations.

Friendly relations between party, state and social organs and organizations, between individual enterprises, labor collectives and the citizens of Prague and Moscow are of every-greater importance. Their moving force is to be found in the multifaceted cooperation between the Moscow and Prague party organizations. This internationalist cooperation of the communists of both capital cities played an important role for us in the period when we waged a struggle for the restoration and further development of Leninist principles in the Prague party organization and throughout the entire life of our capital city. But today, too, it is an exceptionally fruitful source of experiences for party organizations, national committees, social organizations, enterprises, research institutes and schools. We intend to continue to develop our friendly relations in such a way so that they will influence increasingly and more immediately the thinking and attitudes of the broad strata of our fellow citizens.

We rightly consider our most important task to be the development of direct cooperation between the labor collectives of both capital cities. Their joint work is creating the most solid bonds of friendship. These very forms of friendly cooperation must now be further developed and intensified in such a way that they will be even more purposefully focused on the solution of the pressing tasks of effectiveness, the quality of production, its technical standards, the reliability of products and, first and foremost, overall economy in the production process. We will further develop our friendly relations in such a way that the broadest and most profound knowledge of the life and construction successes of both our countries and our capital cities takes place.

I trust that the Days of Moscow in Prague, being inaugurated here, will become a great and important event deeply imprinted in the minds and hearts of all the citizens of Prague. I am firmly convinced that when they come to a close it will be possible to say that the Moscow days in Prague were a true holiday of our fraternal friendship and a part of the celebrations of the 35th anniversary of the liberation of Czechoslovakia by the glorious Soviet Army.

Dear Soviet comrades: We sincerely hope that you will become convinced, in the course of your stay in Prague, of the fact that our fraternal friendship and cooperation are not for us, the communists and working people of Prague, a mere slogan but a true value. The legacy of the unforgettable Comrade Klement Gottwald--"With the USSR Forever, and Never Otherwise!"--will always remain valid for us. [applause]

Long live the firm, unbreakable and fraternal friendship between the Czechoslovak and Sov'et people, and its integral part, the friendship between Prague and Moscow. [applause]

Long live the internationalist bonds between our Leninist parties, the CPCZ and the CPSU, and the friendship between the Moscow and Prague city organizations. [applause]

Grishin Speech at Opening Ceremony

AU232130 Prague RUDE PRAVO in Czech 21 Nov 79 pp 1, 2 AU

[Speech by Viktor Grishin, CPSU Central Committee Politburo member, first secretary of the CPSU's Moscow Gorkom, at the opening of the Days of Moscow in Prague on 20 November]

[Text] I consider it a great honor to be able to convey, in the name of Leonid Ilich Brezhnev, CPSU Central Committee general secretary and chairman of the USSR Supreme Soviet Presidium, ardent cordial greetings and the wishes of new successes in materializing the plans of socialist construction to the participants of the present festive meeting, to communists and working people in Prague and to all Czechoslovak people.

Comrade L.I. Brezhnev has also wished many successes to the Days of Moscow now being held in Prague, and he expressed the conviction that they would contribute toward further consolidating friendship and developing all-round cooperation between the peoples of the Soviet Union and Czechoslovakia.

We are deeply grateful to the party's Prague city committee and the National Committee of Prague City for the invitation to come to your capital, which is bound to many glorious pages of the history of the revolutionary and liberation movement and to the creative work of the Czechoslovak people.

Permit me, in the name of the CPSU's Moscow Gorkom, the Executive Committee of the Moscow Soviet of people's deputies and the communists and working people of Moscow to convey to you, to all citizens of Prague, warm fraternal greetings and wishes of much happiness and further significant successes in your work for the prosperity of your socialist fatherland.

The days of Moscow which we are opening today in the CSSR's capital are a significant expression of the indivisible friendship of our countries and nations. This friendship has grown and become steeled in the common battles against fascism and in the battle for building socialism and communism. It is based on common ideas and aims and it was cemented by the firm ties of class solidarity and mutual comradely assistance. Its firm foundation lies in the all-round cooperation of the communist parties of the Soviet Union and Czechoslovakia.

To hold days of friendship of the fraternal capitals has become a good tradition and a contributive form of cooperation. It is typical that this tradition is based on the first Days of Moscow, held here in Prague in 1974; one year later the Days of Prague were held in Moscow. These actions have become a prominent holiday of the Soviet and Czechoslovak peoples' friendship, of their unity in the fight for communist ideals, for peace and international security.

The Days of Moscow in Prague, which were opened today, are being held soon after the 62d anniversary of the Great October Socialist Revolution. Starting with this landmark, the enormous influence of the Great October on the further course of history, on the fate of the present world, has been manifested with particular clarity. V.I. Lenin assessed the revolution in Russia as a prolog to very deep qualitative changes in the life of nations in the world. Today we are all witness to these changes which, on a world-wide scale, present an historic turn from capitalism to socialism.

In consequence of the defeat of fascism, socialism, which emerged as a social formation in 1917, has become a world system which has been developing and strengthening these 30 years. There is no force in the world today which is capable of halting its further progress. The imperialists and their helpers have been able to convince themselves of this time and again.

The community of fraternal socialist countries is the main force of social progress and the main guarantee of the maintenance of peace. The merit for the fact is that Europe, which was formerly constantly fighting, has not known war for almost 35 years. This merit is primarily due to the coordinated peaceful foreign policy and the growing defense strength of these countries. Our countries, which are achieving new and newer successes in socialist and communist construction, are increasingly influencing the course of world events and inspiring the workers class and the working people for the fight against capitalist exploitation and national oppression.

Comrade L.I. Brezhnev characterized the truly fraternal relations between the CPSU and CPCZ as follows: "There was, and is, no question of present social development in which we do not have common opinions and aims."

Comrade L.I. Brezhnev, CPSU Central Committee general secretary and chairman of the USSR Supreme Soviet Presidium, and Comrade G. Husak, CPCZ Central Committee general secretary and CSSR president, are contributing considerably to the development of cooperation between the CPSU and CPCZ, between the USSR and CSSR. This was again strikingly manifested during the meeting of the leading figures of our parties this summer in the Crimea.

The farther we have progressed on the socialist road, the broader and more diversified the relations have become between party organizations, between cities and oblasts and between production and creative collectives of Czechoslovakia and the Soviet Union. This can be seen very clearly in the example of Prague and Moscow. The city party committees, the soviets, the trade union and youth organizations are regularly exchanging delegations and groups of experts for the purpose of comprehensively studying experiences gained in socialist and communist construction and for further expanding and deepening fraternal cooperation. Tens of collectives from industrial enterprises, scientific and cultural institutions and schools are maintaining constant production, scientific-technical and cultural contacts. Many of them are collective members of the associations of Czechoslovak-Soviet and Soviet-Czechoslovak friendship.

This May the Moscow citizens welcomed a delegation of prominent figures of the CPCZ's Prague City Committee, headed by Comrade Antonin Kapek. The delegation's visit was a significant event and has contributed toward further developing and deepening relations between our party organizations and the working people of Moscow and Prague.

In the indeavor to save their unstable positions, the imperialists are striving to hamper the further progress of socialism by the force of weapons, by war threats and by unbridled anticommunist propaganda. They are not loath to use all kinds of means for their subversive actions against the socialist states and they are making a broad use of all kinds and shades of revisionism, including nationalist and religious vestiges, for their own aims.

The actions of the present leading representatives of China are a grave danger to peace and socialism. Their entire policy is permeated by great-power and hegemonist aims. They are voicing impertinent territorial claims against all neighboring states; they are even committing direct aggression against socialist countries and they are carrying out extensive war preparations. The Beijing socio-chauvinists are ganging up with the imperialists and acting together with them against the socialist countries.

Our enemies are aiming their main attacks primarily against the unity of the socialist community: They are trying in vain to put the fraternal countries and nations at loggerheads to each other. These insidious intrigues are doomed to failure. Together with the other fraternal parties, the communist parties of the Soviet Union and Czechoslovakia are doing and will do everything to further strengthen the cohesion of the socialist states and to insure the unity of the international communist and workers movement on Marxist-Leninist foundations. Herein lies the guarantee of the success of the working people's international fight against the rule of the capital and for mainkind's happy future.

World socialism is constantly achieving new victories. These victories and the brilliant prospects of socialism's further progress are a convincing proof of the powerful force of the ideas of Marxism-Leninism and of the enormous possibilities of the socialist system. The aims of world socialism are clearcut and noble: The happy life of all working people, a life without oppression and wars.

The CPSU, the CPCZ and the fraternal parties of the socialist states are consistently fighting to achive these aims. They are persistently striving to consolidate peace and the ideas of international detente, and to solve the most topical task of our times--halting feverish armament.

A significant step in this direction was the signing of the treaty on limiting strategic offensive arms between the Soviet Union and the United States.

A striking expression of the real endeavor to maintain peace was the Soviet Union's new initiative concerning the unilateral reduction of armed forces in Europe and the preparedness to decrease the number of nuclear means in the USSR's western oblasts, submitted by Comrade Leonid Ilich Brezhnev in his speech at the celebrations of the 30th GDR anniversary. Comrade L.I. Brezhnev further developed this intitative in the paper PRAVDA, where he declared that our country would not use nuclear weapons against the states refusing to produce and to acquire such weapons and having no such weapons on their territory.

The new Soviet initiative, just as the treaty on the limitation of strategic arms, has encountered the full agreement and warm support of the Soviet and Czechoslovak people, of the countries of the socialist community and the entire progressive world public. Its intention is to advance the solution of the entire complex of problems of military detente and limitation of armaments in Europe.

Leading circles in the United States, England and other Western countries do not wish such a solution. They try to deploy new types of NATO nuclear missiles in Europe, evade concrete answers to the Soviet proposals, try to neutralize their impact on the broad world public and to distort the meaning and the significance of this act of goodwill by the Soviet state.

A coordinated effort of peace-loving countries is necessary to foil the dangerous plans of the imperialist soldiery and to achieve further progress on the path of detente and disarmament.

Czechoslovakia, which is part of the united front along with the other countries of the socialist community, significantly contributes to the struggle for peace and security and takes an active part in the solution of international problems. Its consistent and principled foreign policy line elicits deep sympathies among the Soviet people.

The holding of days of capital cities of the fraternal countries provides an opportunity to learn more about the life and work of people and about what they strive to achieve under the leadership of their Marxist-Leninist parties.

Muscovites, just as all Soviet people, sincerely rejoice at the successes of their Czechoslovak friends in their creative work. In his address today Comrade Kapek has spoken about the successful work of the communists and working people of Prague aimed at the implementation of the resolutions of the 15th CPCZ Congress, at the development of economy, science and culture. The successes of the people of Prague reflect the successes of all Czechoslovak people who unwaveringly tread the path of building an advanced socialist society. From the bottom of our hearts we congratulate our Czechoslovak friends on their great successes in socialist construction.

The working people of the Soviet Union are presently fulfilling the tasks of the final state of the 10th 5-Year Plan. The Great October celebrations in Moscow and the festive parade on 7 November have shown again the vital strength of the ideas of October, the successes of the country's national economy and the unshakable cohesion of our people around the CPSU and its Central Committee led by Comrade L.I. Brezhnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium.

The Soviet people fully approve of and support the party's domestic and foreign policy and the practical activity of the CPSU Central Committee aimed at the further consolidation of the economic and defensive strength of the country, safeguarding peace and security. Invaluable contribution to the elaboration and implementation of party policy is being made by the outstanding politician and statesman of the present and ardent fighter for peace, Comrade Leonid Ilich Brezhnev. His tireless, all-round activity elicits warm gratitude of the people.

The working people of our country fight with great enthusiasm for the fulfillment of the party's plans, for the further development of the economy and for raising the effectiveness of production and the quality of work. Muscovites, just as all Soviet people, are successfully fulfilling the tasks of the 10th 5-Year Plan. As a consequence of developed socialist competition, good results have been achieved in developing the city's economy and its civic facilities. The working people of all sectors of the national economy in Moscow successfully fulfilled the tasks of the first 3 years of the 5-Year Plan. For a long time there has not been a single enterprise in the city that has not fulfilled the plan.

The collectives of industrial construction, transportation and communal enterprises fulfilled the tasks of the first 10 months of this year ahead of schedule. A large quantity of various products has been produced in excess of the plan. Important measures have been taken with regard to the introduction of scientific-technical innovations into production and reconstruction and technological re-equipment of plants and factories. The contribution of scientists to the solution of national economic problems is on the rise.

An extensive construction program has been fulfilled and many industrial and production projects, apartment houses, schools, hospitals, facilities for children, stores, cafeterias, coffee houses and service centers were built.

Muscovites are firmly resolved to honorably adhere to their socialist pledges and to fulfill the tasks of the entire 5-year plan ahead of schedule.

We are devoting great attention to the city's preparation for the 1980 Olympic games. The construction or reconstruction of most Olympic facilities is drawing to an end. Although a great deal of work is still ahead of us, we are firmly convinced that Moscow will welcome the Olympic games with dignity and create the conditions necessary for the Olympics to take place on a high level.

Thousands of innovators and exemplary workers work in the national economy of Moscow, which comprises many branches. The competition for the fulfillment of personal 5-year plans, in honor of the 110th anniversary of V. I. Lenin's birth, is widely developed in the enterprises of the city. It has been joined by more than 200,000 workers. Tens of thousands of workers had already fulfilled their 5-year tasks by 7 November.

On the eve of the 62d anniversary of the October Revolution another 15 working collectives from Moscow were awarded the title of exemplary collective. All in all there are now 50 such collectives in the city. The consistent reshaping [pretvareni] of enterprises and organizations, housing districts, streets and houses into exemplary ones is an important condition for the solution of the task to make the USSR capital into an exemplary communist city.

The communist nature of the city will be determined, above all, by the people who live in it. They must possess ideological firmness, honesty, moral purity, humbleness and modesty. That is why a great attention is being devoted in Moscow to the permanent perfection of ideological and political-educational work and to the reinforcement of their impact. The profound dedication to the ideas of Marxism-Leninism and high political awareness are characteristic of the absolute majority of Muscovites. They completely and fully approve of and support the policy of the CPSU and are firmly resolved to devote all their strength to the implementation of the resolutions of the 25th CPSU Congress and to further strengthening their homeland.

The successes of the working people of the Soviet Union and the CSSR in domestic and foreign policy are drawing us closer to the joint goal--the construction of socialism and communism. The firmer our friendship and the closer and more fruitful our cooperation, the faster and more successfully we will advance.

"The permanent intensification of our relations fully corresponds to the fundamental interests of our nations and the unity of the socialist community and contributes to the upsurge of socialism, progress and peace all over the world." Comrade Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, has said.

Allow me to express my firm conviction that the Days of Moscow in Prague will become another remarkable evidence of friendship between our fraternal nations. The program of the days includes important political actions, meetings between exemplary workers and innovators from production branches in Moscow and Prague, lectures, the exhibition "Moscow--the Capital of the USSR," an exhibition of paintings by Soviet artists, performances by prominent artists and members of amateur ensembles and showings of new films. From the bottom of our hearts we invite the citizens of Prague to those actions.

In conclusion allow me, on behalf of our delegation and all participants in the Days of Moscow in Prague, to express my sincere satisfaction with this meeting and wish you, and through you all working people of the Czechoslovak capital, many new successes in the socialist construction and in the successful fulfillment of the resolutions of the 15th CPCZ Congress.

Long live the indestructible friendship between the Soviet and Czechoslovak peoples, between the working people of Moscow and Prague!

Long live the CPCZ and the CPSU! Long live Communism and peace!

Homage to Fallen Heroes

LD211828 Prague Domestic Service in Czech 1130 GMT 20 Nov 79 LD

[Text] The delegation of the Moscow Gorkom, led by Viktor Grishin, member of the CPSU Central Committee Politburo and first secretary of the Moscow Gorkom, today placed a wreath on the grave of Klement Gottwald and flowers on the graves of Antonin Zapotocky and Ludvik Svoboda at the national memorial on Zizkov Hill. It also placed a display of red flowers on the grave of the unknown Soviet soldier and then went to Olsany Cemetery to pay homage to the memory of the Soviet heroes who lost their lives during the liberation of Prague. The delegation was accompanied by Antonin Kapek, member of the CPCZ Central Committee Presidium, first secretary of the party's city committee in Prague, the lord mayor of Prague, Zdenek Zuska, and further representatives of political and public life.

Tour of Prague Metro

LD211829 Prague Domestic Service in Czech 1530 GMT 20 Nov 79 LD

[Text] The delegation of the Moscow Gorkom of the CPSU, led by Viktor Grishin, member of the CPSU Central Committee and first secretary of the Moscow Gorkom, today examined the Prague Metro--the project of Czechoslovak-Soviet cooperation. The Soviet guests were accompanied by Antonin Kapek, member of the CPCZ Central Committee Presidium and first secretary of the city committee of the party in Prague; Zdenek Zuska, mayor of Prague, and representatives of organizations taking part in the construction of the metro. The Soviet delegation also familiarized itself with the construction of the Palace of Culture. Comrade Viktor Grishin and other members of the delegation, after the visit, expressed their satisfaction with the architectural design of the metro stations and with the extent of the international socialist competition between Czechoslovak and Soviet specialists which promotes an ever more rapid rate of construction.

Moscow City Exhibition Opening

LD211528 Prague Domestic Service in Czech 1000 GMT 21 Nov 79 LD

[Text] An exhibition entitled "Moscow--the Capital of the USSR" was ceremoniously inaugurated at the Julius Fucik Park of Culture and Leisure in Prague today. The inauguration was attended by a delegation of the Moscow Gorkom led by Viktor Grishin, member of the CPSU Central Committee Politburo and first secretary of the Moscow Gorkom. Antonin Kapek, member of the CPCZ Central Committee Presidium and chief secretary of the Prague City CPCZ Committee; Vladimir Matskevich, Soviet ambassador in Czechoslovakia, and other officials also attended.

The opening speech was made by Zdenek Zuska, lord mayor of Prague. He welcomed the distinguished guests and spoke about the Soviet capital, its history and present construction and about friendship between Prague and Moscow. Vladimir Promyslov, member of the CPSU Central Committee, chairman of the Moscow Gorispolkom, then described the various sections of the exhibition. He conveyed sincere greetings from the citizens of Moscow to the people of Prague and wished them every success in implementing the conclusions of the 15th CPCZ Congress.

Friendship Association Reception

LD220005 Prague Domestic Service in Czech 2250 GMT 21 Nov 79 LD

[Text] A delegation of the Moscow Gorkom, of the CPSU, headed by Viktor Grishin, member of the CPSU Central Committee Politburo and first secretary of the Moscow Gorkom, which is attending the Days of Moscow in Prague, was received this evening in our capital by Vaclav David, chairman of the Central Committee of the Czechoslovak-Soviet Friendship Association. Also present at the reception were Antonin Kapek, member of the CPCZ Central Committee Presidium and the chief secretary of the city committee of the CPCZ in Prague; Jindrich Polednik, secretary of the Central Committee, and other representatives.

Vaclav David briefed the guests on the work of the Czechoslovak-Soviet Friendship Association and emphasized the fact that our people will always respect the bright memory of the heroes, the liberators of Czechoslovakia, and would have an interest in the permanent deepening of the friendly relations between the two nations. He also said that the working people of Czechoslovakia fully support the Soviet peace initiative presented by Leonid Brezhnev in Berlin.

Comrade David then presented Viktor Grishin with the highest distinction of the association, the gold medal. Other members of the delegation were also been awarded distinctions for their contribution to the development of the Czechoslovak-Soviet friendship.

Grishin Meets With Husak

LD222103 Prague Domestic Service in Czech 1730 GMT 22 Nov 79 LD

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the Republic, received Viktor Grishin, member of the Politburo of the CPSU Central Committee and first secretary of the Moscow Gorkom, at Prague Castle today. The meeting was attended by Antonin Kapek, member of the Presidium of the CPCZ Central Committee and chief secretary of the Prague CPCZ City Committee. In a cordial and comradely discussion they reaffirmed the significance of the broadest possible relations of friendship between Prague and Moscow whose all-round contacts are being systematically intensified in the spirit of the conclusions of last year's meeting of the highest representatives of Czechoslovakia and the Soviet Union.

They highly valued the results of past cooperation and the help offered by Moscow experts in solving the challenging problems of the construction of Prague. They pointed to the importance of bilateral exchanges of experience and coordinated activities in the coming period as well.

At the meeting President Gustav Husak handed Comrade Viktor Grishin the Order of Victorious February, conferred on him at the proposal of the Presidium of the CPCZ Central Committee in recognition of many years of promoting internationalist friendship and cooperation between Czechoslovakia and the Soviet Union.

Comrade Gustav Husak highly praised Viktor Grishin's many years of devoted activity in party offices, by which he has made a distinct contribution to the overall development of bilateral relations between the CPCZ and the CPSU and to the intensification of cooperation between our countries and capitals, to the consolidation of fraternal ties between the Czechoslovak and Soviet people.

Gustav Husak stressed that the presentation of the Order of Victorious February was at the same time in recognition of Viktor Grishin's merits as a foremost representative and loyal member of the CPSU, as a tireless fighter and revolutionary, patriot and internationalist, as well as an expression of the gratitude of the CPCZ and the Czechoslovak working people for the help which the CPSU and the Soviet Government are offering Czechoslovakia in all spheres of political, economic and cultural life in building a socialist society.

Comrade Viktor Grishin thanked the CPCZ Central Committee and Comrade Gustav Husak, president of the Republic, for the high state distinction he had received. He added that communists and other Moscow working people will continue to make every effort toward consolidating cooperation, which is also well reflected in the construction of Prague and Moscow. He stressed that he regards the awarded distinction, which is a symbol of the victory of the working people of Czechoslovakia over reaction in February 1948, also as a symbol of lasting Czechoslovak-Soviet friendship. He assured Comrade Husak that he will make every possible effort toward the consolidation of this friendship and the achievement of the joint objective--communism.

Visit to Locomotive Plant

LD221606 Prague Domestic Service in Czech and Slovak 1400 GMT 22 Nov 79 LD

[Excerpt] Workers at the Prague Sokolovo CKD locomotive plant today welcomed the Moscow Gorkom delegation led by Viktor Grishin, member of the CPSU Central Committee Politburo and first secretary of the Moscow Gorkom. The Soviet guests were accompanied by Antonin Kapek, member of the CPCZ Central Committee Presidium and first secretary of the Prague city party Committee.

They inspected production capacities where diesel-electric locomotives are produced. The plant exports 70 percent of their locomotives to the Soviet Union. Comrade Grishin praised the high quality of work of the Sokolovo locomotive plant and said its output is well-known on Soviet railroads where it is functioning to full satisfaction.

Grishin Addresses Friendship Rally

LD230450 Prague Domestic Service in Czech 1530 GMT 22 Nov 79 LD

[Speech by Viktor Grishin, CPSU Central Committee Politburo member and first secretary of the Moscow Gorkom, at a Czechoslovak-Soviet friendship rally in the Lucerna Hall in Prague; in Russian with superimposed Czech translation--live]

[Text] Dear Comrade Kapek, dear comrades: Please permit me first of all to express gratitude and thanks to the Prague city party committee for preparing this meeting, at which we, as representatives of the communists and of all Muscovites, have the opportunity to meet with the aktiv and with representatives of the working people of the city of Prague. Allow me to thank you for your cordial reception and for the kind words said about the Soviet Union and about our party, about Moscow and about its people, voiced so sincerely and eloquently by Comrade Kapek.

We are glad, comrades, to pass on to you and to all the inhabitants of Prague the cordial and sincere greetings and very best wishes from Comrade Leonid Ilich Brezhnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium. [applause]

Permit me to pass on also the good wishes and expressions of good fellowship from the people of Moscow to the working people of Prague. [applause]

The Moscow days in Prague are a component part of Czechoslovak-Soviet friendship month and are a new and clear manifestation of the continually strengthening and developing relations between our countries and their capital cities. The holding of days of capital cities of socialist states substantially enriches our international ties and is one of the multi-faceted forms of cooperation between fraternal parties and nations, of mutual exchange of experience of communist and socialist construction.

The members of our delegation have visited Czechoslovakia and Prague before and remember well how they looked at the beginning of their socialist road and in later times. An acquaintance with the Prague of today enables one to make the comparison between the past and the present, and to assess better the great historic road it has travelled over the years which have passed under the leadership of its tried and tested leader, namely, the Communist Party of Czechoslovakia. For more than three decades the leading position in politics and economics in all sectors of life of the Czechoslovak state has belonged to the working class and its Marxist-Leninist party. The Communist Party of Czechoslovakia honorably discharges its directing and organizing function in society. Under its leadership, the link between the working class and the peasantry, between the working people and the intelligentsia, becomes consistently stronger, and the tasks of developing the economy and culture, of raising the living standards of the population, and other problems of socialist construction are being successfully resolved.

The successes of Czechoslovakia convincingly demonstrate how correct the line of the Communist Party of Czechoslovakia is. A great contribution to the all-round progress of your republic is made by the communists and working people of the capital city. Our stay in Prague has given us the opportunity to feel the atmosphere of the constructive work by Prague people, and to see with our own eyes the results of the process of persistently seeking the best solutions to the problems which arise in the course of socialist construction.

Under the leadership of the city party organization, the city committee of the Communist Party of Czechoslovakia, headed by Comrade Kapek, member of the Communist Party Presidium and first secretary of the Prague city party committee and our friend, the working people of Prague are successfully implementing the conclusions of the 15th congress of the party and fulfilling their national economic plans.

Muscovites, like all Soviet people, feel heartfelt pleasure at the successes of the people of Prague and wish them and the entire Czechoslovak people new successes in building an advanced socialist society. [applause]

The USSR and Czechoslovakia, the people of our countries, are bound by an unbreakable friendship which has passed all tests and which has strengthened in the joint struggle for the victory of communism and socialism. Its foundation is the fraternal cooperation of our communist parties, constant contacts between the Central Committees of the CPCZ and the CPSU, Comrade Leonid Ilich Brezhnev and Gustav Husak. At the Prague celebrations on the occasion of the 25th anniversary of the February victory Comrade Leonid Ilich Brezhnev said: All that is important and is the meaning of life and work of the nations of the USSR and Czechoslovakia binds us together and brings us nearer to each other. We fight together for the fulfillment of the ideals of the working class. We are bound by a common yearning for peace and are determined to exert all efforts to insure the security of the countries of socialism, and to avert from mankind the threat of war. We jointly build and strengthen our great common successes--the socialist community.

At the 15th CPCZ Congress Comrade Gustav Husak said that the USSR is the most faithful friend, the most reliable ally, which guarantees the security, peaceful work and happy future of the Czechoslovak people. All the practice of mutual relations between the leading representatives of the USSR and Czechoslovakia, between communists and working people of our countries, confirms how true are these ideas voiced more than once by the leading representatives of the USSR and Czechoslovakia, of the CPCZ and the CPSU. An eloquent expression of the friendship of our nations was this year's Crimean meeting of Comrade Leonid Ilich Brezhnev with Comrade Gustav Husak. The absolute unity in foreign policy is reflected in the recent statement of the CPCZ Central Committee and the Czechoslovak Government which supports the initiative of the USSR on reductions, that is, the unilateral reduction of armed forces in Europe.

An important manifestation of the links between the two parties is represented by the practice of exchanges of working groups, groups of officials on the line of the party and on the line of enterprises. Extensive contacts exist between working people of Prague and Moscow and, of late, these links and contacts have become regular and constant. Direct contacts and relations exist between hundreds of enterprises scientific and creative institutions and schools of our capital cities.

The Moscow Gorkom sees its task in continuing to assist an all-round intensification and expansion of these friendly relations--cooperation between fraternal countries and their capital cities--because this is a live and expanding activity. A regular exchange of experiences is of great importance for this activity to be enriched with new content. (?The more important is) [words indistinct] in the fulfillment of the plans of the communist and socialist construction.

Our meeting, a meeting of comrades and fellow-combatants, the efforts in the common work, necessitates saying at least briefly how Moscow lives, how communists and workers of the capital city of the USSR are working.

The Soviet people are firmly linked around the communist party and its Central Committee and successfully fulfill the program elaborated by the party, the program of a further all-round development and progress, the (?program) of a society of advanced socialism which has been constructed in the USSR. By means of shock work each and every one shows unequivocal support and agreement with the internal and foreign policy of the CPSU.

The general policy line of our party as worked out at the 24th and 25th party congresses has demonstrated its viability in practice. It guarantees the unswerving growth of our country's economy, the systematic rise in the prosperity of our people and the improvement of socialist social relationships. Thanks to the purposeful and consistent international political activity of our party and the Soviet state, and of the other fraternal parties and countries, peace on earth has become more reliable and stable. All this spurs Soviet people on to new labor successes. The working people of the city of Moscow actively participate in the struggle to fulfill the tasks which the Soviet Union has to fulfill. The comprehensive plan for the development of the national economy of the capital city for 1976-80, which is a component part of our country's 10th 5-Year Plan, is aimed at further advances by the economy of our city, at the fullest use of its scientific and technological potential, at the raising of the material and cultural standard of living of the working people and the solving of the task of making Moscow into a model communist city.

The volume of industrial output is set to grow 20.5 percent during the current 5-year plan, technical progress is to grow by half again and in comparison with the preceding 5-year plan the construction program is to be expanded and the qualitative indicators of all work are to be significantly improved. The Moscow party organization is launching extensive work to mobilize the working people for the fulfillment of the 5-year plan tasks. Muscovites have successfully completed plans for the first 3 years in all sectors of the national economy of the capital city. The profitability of inudstry has improved. Transport and capital construction have seen a further development. Retail trade turnover has expanded. Consumer services to the population have improved.

The results achieved are a good basis for further advance. The labor collectives of our city have proclaimed their socialist pledges for the 5-year plan and the working people of many works and factories have even decided to fulfill their 5-year plan tasks on 7 November 1980, which would make it possible for Moscow's industry as a whole to complete the 5-year plan a month earlier than is scheduled in the plan. The tasks regarding labor productivity increases are to be completed by 1 October 1980. An important phase in the fulfillment of these pledges is the present year, 1979. We have an old tradition of making ready labor gifts in honor of each anniversary of the Great October Socialist Revolution. For the 62d anniversary of Great October over 450,000 Moscow workers have already completed their personal assignments for 4 years of the 5-year plan and 34,000 had already fulfilled their 5-year plans.

The main effort by the city party organization and the working people of the capital city is being directed towards the principal national economic guidelines of the party, i.e. the pro rata growth in the social product, the improvement in the efficiency of production, the acceleration of scientific and technological progress, and a growth on this basis of labor productivity and an improvement in the quality of all activity, should be implemented in the national economy of Moscow.

We can already speak of some results which have been achieved. During several of the last few years all the industrial enterprises of Moscow have successfully completed their annual commitments regarding marketing of production. Virtually, the entire increase in industrial production is achieved by increasing labor productivity.

A systematic reduction in the costs of production is being insured. Qualitative indicators are assuming an ever-more prominent place in pledges and socialist competition. One could single our such well-known initiatives as "the 5-Year Plan of Quality and the Workers' Guarantee" which arose at the Vladimir Ilch Lenin works, or the engineer's support for the workers' initiative at the Likhachev car plant, the "good quality and labor efficiency for the 10th 5-year plans," and so on.

Competitions to raise labor productivity on the basis of personal creative plans, according to experiences of the Dynamo enterprise, to expand the handling of more machines, is developing extensively in the capital and this all helps to perfect the organization of labor, reduce losses and unproductive working time and strengthen labor discipline. In Moscow enterprises and organizations, an extensive reconstruction and technical modernization of production is taking place. New machines, equipment, and progressive technological processes are being introduced and measures leading to a reduction of the amount of manual and nonqualified labor are being implemented. Within a mere 3 years basic assets amounting to R8 billion have been utilized, which is one-third more than in the corresponding period of the last 5-year plan.

The development of the working initiative of the Moscow people, combined with a consistent scientific-technical innovation of the industry of the capital city, insured during the past 10 years a doubling of labor productivity. The city party organization pays great attention to improvements of the quality of production. By the end of the 5-year plan the production of double the amount of goods of the best quality is to be insured.

The result of the work of scientific and research institutes and design offices of the city of Moscow was the introduction of the production of more than 400 prototypes of progressive equipment, machines and apparatuses and 20,000 new types of goods for the population. Some (?4,500) products of Moscow industries obtained the state badge of quality. At the same time it is also necessary to see the great amount of work yet to be done in activities of all branches of the national economy of Moscow.

[Prague RUDE PRAVO in Czech on 23 November on page 3 publishes a 2,200-word excerpt from the speech by Viktor Grishin at the friendship rally. The RUDE PRAVO version adds at this point: "However, all that has been done must be seen as only a part of a great work that must be further expanded and deepened. Apart from enterprises such as Zil, Dynamo, Mikromashina, the Krasnyy Proletariy plant, the plant for the productior of coordinate drilling machines and other enterprises where the products bearing the badge of quality constitute more than 50 percent of the entire production, there are still plants and enterprises where their share is small. Some enterprises keep producing outdated products that do not correspond to present needs. The Moscow CPSU City Committee has undertaken the task of assuring that in the 10th 5-Year Plan all Moscow Enterprises will introduce top-quality production."]

The work of the city party organization is also focused on enhancing the role of scientific-research and design organizations of institutions of higher learning in the solution of economic problems. Moscow scientists play a great role in speeding up scientific-technical progress since an enormous number of leading academic and scientific institutions and schools of higher learning are concentrated in Moscow. Moscow institutions have effected one-third of all basic research and one-fourth of the scientific work in our country.

Party organizations in scientific-research institutes and design offices are developing extensive work to mobilize collectives for a successful fulfillment of the plans laid down, for perfecting production and for shortening the times of research and design work. The links between scientific institutions with material production have been significantly strengthened and the utilization of scientific work in practice has been accelerated. On the basis of the experiences acquired, the city party organization has achieved a raising of scientific-technical work and its successful introduction in practice.

Measures aimed at specialization and coordination of production, the creation of scientific-research associations, the elaboration of comprehensive programs for the solution of most important scientific-technical problems and other tasks are being successfully fulfilled.

The 25th CPSU Congress noted that our further advance depends to a marked degree on a perfection of capital investment building. (?To build) fast and economically on modern technical foundations is a task set our party. The volume of building work is constantly being expanded in Moscow. Every year over R(?3) billion work of capital investment constructions are being built, substantially more than in the past 5-year plans. In the course of the past 3 years a new town has in fact been built. Dwellings with a surface of approximately 12 million square meters have been built, as well as many new schools, hospitals, clinics, facilities for children, shops, public catering facilities and other projects.

The party and administrative organizations of the capital city strive toward having these projects commissioned in good time and having the construction, assembly and other jobs, which enable these projects to be speedily put into service, improve in quality. They support the various initiatives of the working people which further precisely this objective. We bring forward the best that we have achieved in this sector and via the party organizations we attempt to eliminate difficulties in solving the tasks, to put an end to the situation whereby too many unfinished projects are in construction at the same time and to insure the concentration of forces and resources on the projects which have to be commissioned in the foreseeable period. The capacity of the construction organizations of the city is being expanded; specialization is being deepened; design work is being improved; production of building materials is increasing and their quality is improving. We have a lot still to in order to improve the services to the population and visitors to the capital city. The activities of the municipal transport enterprises, public catering, shops, health and cultural services have recently achieved great successes. A lot has been done to strengthen the material and technical foundation of these services. The appearance of the city is improving.

Extensive work is being done in the city within the framework of preparations for the Olympic games which are due to take place next year. One is mindful of services for the participants and visitors to the Olympics and of the shaping of the city. Some 76 sports projects are under construction or renovation, of which part is already in service. The network of public projects is constantly expanding. Other work is underway to insure the success of the Olympics.

Everything which is being done for the development of the economy of the capital city serves to make Moscow increasingly display the successes of an advanced socialist society so that it might step by step move toward a point when it is transformed into a model communist city. The Moscow Gorkom and the Moscow Gorispolkom are doing everything in this direction which is in their powers. The activities of the enterprises are constantly improving. Long-range comprehensive plans are being implemented. The solution of economic and social tasks is being guaranteed.

Comrades, the perspective for the development of Moscow along the road of transforming this city into a model socialist and communist city is naturally bound up with the activity of the party organizations of the city of Moscow. It is one of the great front-ranking detachments of the CPSU. In all its activities it systematically pursues the line which was mapped out by the 24th and 25th party congresses. The communists of Moscow are closely rallied and cohesive round the CPSU Central Committee and Central Committee Politburo headed by Comrade Leonid Ilich Brezhnev. [applause]

The Moscow party organizations are a reliable bulwark of the CPSU Central Committee in the struggle for the implementation of the plans for communist construction. Moscow has over a million communists, organized in 32 rayon and almost 10,000 branch organizations. It is a great creative and building force which on a day to day basis influences and directs all aspects of the development of the economic, social and spiritual life of the city.

The more actively and purposefully that each party organization and each communist acts the more fully will the leading role of the party be implemented and the more successfully will its political policy be pursued.

The city and rayon party committees strive toward seeing that a down-to-earth, hard-working atmosphere in which each requires high standards of the others and in which there is criticism and self-criticism, prevails in the branch organizations, and that the activity of communists should become ever more rich and more interesting in forms and methods. Great attention is paid to improving the practice of current and long-range planning of the activities of party organizations, which helps to concentrate the efforts of communists on the main and crucial problems, on which the success of the entire undertaking to a decisive extent depends. The training and education of the elected aktiv and of rank-and-file party members are being improved. We are striving toward making every communist in active fighter for the ideas and the cause of the party, in order to be able to unite the masses around the party organizations, in order that he may be able to lead them, and in order that he might evince everywhere, in productive work and in his social life, profound ideological conviction; in order that he might be a model of conscientiousness in his work, in his behavior, and in his morals; in order that he might feel his own responsibility for everything which is the city of Moscow, in short, in order that he should remain always and in everything a real communist.

The party organizations are doing extensive work in the communist education of working people. This work is founded upon the comprehensive approach which guarantees the unity of ideological, political, working and moral education. The objective of this activity is the forging of a Marxist-Leninist world outlook, a communist conviction, a class approach toward phenomena of social life, irreconciliability to bourgeois ideology and morals, confirmation of Soviet patriotism and proletarian internationalism and the further development of working and social activeness in our people.

In accordance with the decision of the CPSU Central Committee on the further improvement in ideological and political education activity the city party organization has done much toward improving the Marxist-Leninist training of communists and non-party members, improving the effectiveness of political agitation and information, propaganda and view-forming agitation on the part of the press, radio and television, and the work with the population in their places of residence.

A leading place in the ideological tempering and education of cadres belongs to the system of political and economic instruction. During the current educational year a total of 4 million people are undergoing education in all forms.

Political and economic education in Moscow involves practically 90 percent of all working people. Increasing attention is being paid to educating Muscovites in high moral standards in working collectives under the leadership of party organizations. The moral principles of the residents of a model communist city have been elaborated and approved, and these comprise the requirements of all-round political education and of people's labor and political personality. The questions of moral education are acquiring special significance in the present conditions of the exacerbation of the class war in the world arena with our ideological opponents using increasingly refined forms to influence people's consciences, including, of course, Muscovites. They seek out various turncoats and moral degenerates and make attempts to undermine the patriotism, the communist conviction and collectivism of Soviet people, in order to counter our moral values with bourgeois individualism, private property psychology, money-grubbing, skepticism, indifference towards social matters and an anti-Soviet spirit. The opponents of socialism strive with all their forces to smash the moral-political unity of the Soviet community. Enormous funds are spent on this. Under the banner of anticommunism and antisovietism the efforts of all forces of reaction, starting with imperialism and its Chinese assistants and going on to revisionists and Zionists, are allied and coordinated. Immense propaganda machines have been set up which use every possible channel to try and infiltrate our ranks.

All these methods of ideological influence are becoming increasingly treacherous and cunning. Not negligible forces are concentrating on dividing our intelligentsia, to separate a part of this intelligentsia from the people, from the party, to discredit the very personality of the Soviet artist, to discredit Soviet literature. One of the major objectives of this ideological subversion, that is to say, sabotage, is to besmirch art, its partisan and popular character and to replace it by bourgeois individualism, apoliticism and lack of ideas.

Considerable efforts are being concentrated on reinforcing the poisonous seed of nationalism. For their objectives they generally use immature people, morally vulnerable, dissatisfied people, nationalists and other renegades who are prepared to abandon their fatherland, their people, villify all that is dear to every Soviet human being in order to win praise and rewards from the enemy.

Such people arouse general contempt among Soviet people. It is clear, comrades, that the intrigues of our ideological adversaries are doomed to failure. But this demands that all party organizations and the ideological aktiv should constantly raise the effectiveness of communist education and deal with these questions every day and all the time. That is how we will also proceed in the future in our ideological work.

Our city party organization attaches great importance to the training of Muscovites to political vigilance, to class thinking, to profound understanding of the undeniable advantages of real socialism and to the determination to stand up to all adversaries and defend the achievements of socialism. Freedom and democracy are not abstracts but profound class notions. This is inevitable in a world that is divided into antagonistic classes, and where a merciless class struggle is being waged. Freedom and democracy for the working people, that is a notion which is in contradiction with the so-called freedom for the enemies of the working people, for the opponents of socialism. We are strictly adhering to this principle and will also continue to do so in the future.

Comrades, it is not possible to talk in one speech about all aspects of the multifaceted life of our capital and the activities of the Moscow Gorkom. I touched on only some questions taken from the life of the party, from the life of Moscow, from party educational work, economic and cultural development. The Moscow working people consider it their duty to continue multiplying their work of communist construction, peace and socialism, and to consolidate internationalist solidarity of the working people.

As Comrade Leonid Ilich Brezhnev said at the celebrations in Berlin, socialist internationalism is a political and moral force which enables us to attain fresh successes in the fight for peace and social progress.

All historic experience gained by the world socialist system prove that loyalty to this principle is a reliable service to the national interests of every fraternal country and the entire community, and that it helps in a decisive manner to reinforce the international positions of socialism. [applause]

The strengthening of the socialist community is our foremost common task. On it depends an improvement of the international atmosphere and an active resistance to imperialism in all respects. The best reply to its plots is a further strengthening of the unity and cohesion of masses around Marxist-Leninist parties as well as an all-round development of friendship and the preservation of fraternal relations between socialist countries. [applause] [words indistinct] of the people of Moscow and Prague are also an important contribution to internationalist solidarity. The communists and all working people of the city of Moscow will do everything in their power so that fraternal relations between our capital cities go on strengthening and developing, to serve the great aims and ideals for which the Soviet and the Czechoslovak people are fighting. [applause]

Allow me, dear comrades, to wish new great successes in socialist construction. We will continue to strengthen the unbreakable friendship of the nations of the USSR and Czechoslovakia, of all countries of the socialist community in the name of the victory of the great ideas of Marxism-Leninism. [applause and chanting]

Long live Soviet-Czechoslovak brotherhood, long live the CPSU and the CPCZ! [applause and chanting]

Long live their central committees headed by the outstanding personages of our parties and states, of the world communist and workers' movement, Leonid Ilich Brezhnev and Comrade Gustav Husak! [applause and chanting]

Long live communist and peace! [applause and chanting]

Prague Mayoral Reception

LD232030 Prague CTK in English 2013 GMT 23 Nov 79 LD

[Text] Prague--A delegation of the Moscow City Committee of the Soviet Communist Party, led by member of the Politburo of the Soviet Communist Party Central Committee and first secretary of the party's Moscow City Committee Viktor Grishin, visited Friday the old town hall here.

The members of the delegation, who participated in the "Days of Moscow" here, were received by the mayor of Prague, Zdenek Zuska.

A reception was given afterwards in honour of the Soviet delegation. It was attended by Czechoslovak Communist Party Presidium member and chief secretary of the party's Prague city committee Antonin Kapek. Among the guests were Moscow organizers of the "Days of Moscow" and representatives or organizations of the Prague National Front.

Grishin Departs for Moscow

LD232233 Prague Domestic Service in Czech and Slovak 1700 GMT 23 Nov 79 LD

[Text] The delegation of the Moscow Gorkom headed by Viktor Grishin, its first secretary and member of the CPSU Central Committee Politburo, ended its visit to Prague today and left for the Soviet Union. In our capital, members of the delegation had taken part in the important political action within the Czechoslovak-Soviet friendship month, the days of Moscow. At the Ruzyne Airport, the guests were seen off by Antonin Kapek, member of the CPCZ Central Committee Presidium and chief secretary of the Prague City CPCZ Committee, Mikulas Beno, secretary of the CPCZ Central Committee, and other officials.

AUTHOR ALLEGES RUSSIANS BEHIND HIS LOSS OF CITIZENSHIP

LD261627 Paris LE FIGARO in French 23 Nov 79 p 3 LD

[Unattributed report: "Czechoslovakia: Milan Kundera Stripped of His Citizenship"]

[Text] "I am surprised to learn that the Russians can 'strip' a Czech citizen of his nationality," Milan Kundera has said.

The writer had just received a letter from the Czechoslovak Minitry of Internal Affairs--dated 24 August--advising him that he had been stripped of his citizenship for publishing in LE NOUVEL OBSERVATEUR an interview about his work "Clementis' Cap" in which "he attacks our state and disparages our international ties with the USSR." Mr Kunder has noted "suspicious" spelling mistakes in the letter's composition.

COOPERATION PROTOCOLS SIGNED WITH MOZAMBIQUE

LD262042 Prague CTK in English 1717 GMT 26 Nov 79 LD

[Text] Maputo--Protocols on bilateral relations and perspectives of commercial, scientific and technical cooperation were signed here on Monday at the end of the first session of the Czechoslovak-Mozambique commission.

The documents are a good basis for further development of cooperation between the two countries, especially for export of Czechoslovak engineering products to Mozambique.

Jaroslav Jakubec, head of the Czechoslovak delegation and deputy minister of foreign trade signed the protocols for Czechoslovakia.

BRIEFS

SOVIET OIL IMPORTS--On 7 November the 100 millionth ton of Soviet crude oil reached the Slovnaft national enterprise in Bratislava via the Druzhba pipeline. The supplies of crude oil from the Bashkir Autonomous Republic in western Siberia started in 1962. [Bratislava SMENA in Slovak 8 Nov 79 p 1 AU]

AGRICULTURAL PACTS SIGNED WITH VIETNAM, LAOS

LD271250 Budapest MTI in English 1033 GMT 27 Nov 79 LD

[Text] Budapest, November 27 (MTI)--As has been reported, the 1980 Hungarian-Vietnamese Technical-Scientific Cooperation Program was signed during the talks which ended recently in Vietnam. According to Budapest's Tesco Foreign Trade Co, the cooperation scheme covers four big development programs: Veterinary hygiene, microbiology, goose breeding and fresh-water fish farming. To carry out these projects, Hungarian experts will leave for Vietnam next year.

Moreover, Hungary will supply the Vietnamese agriculture with pedigree goose eggs and Vietnamese specialists will come to Hungary to learn the knacks of improvement, tending and goose [word indistinct] processing. Under the agreement, Hungary will take [word indistinct] in the production of veterinary products by supplying active agents for various animal medicines and well-equipped laboratories. In addition, microbiological laboratories to be set up in Vietnam will be stocked with Hungarian equipment and Hungarian experts will help in implementing the program on fresh-water fishbreeding, including improvement, cross-breeding, foraging and health protection.

During their talks in Laos, the Hungarian delegation surveyed the course of implementing the first half of the 1979-1980 work program and signed a protocol on the subject. Cooperation with this country mainly covers agricultural and food industry development. Hungarian experts will visit there to help accomplish the plans on vaccine and sowing-seed production and water conservancy, as well as the organize the geotechnical and foraging business. At the same time, several Lao specialists will come to Hungary for extension training in 1980. There are today 103 Lao scholarship-holders here.

DELEGATION LED BY BENKEI LEAVES FOR AUSTRIA

LD271238 Budapest MTI in English 1041 GMT 27 Nov 79 LD

[Text] Budapest, November 27 (MTI)--Headed by Andras Benkei, Hungarian minister of the interior, a delegation left on an official visit for Austria Tuesday at the invitation of Erwin Lanc, federal minister of the interior of the Republic of Austria.

BRIEFS

ROMANY TO FAO CONFERENCE--On Thursday [8 November], a delegation led by Pal Romany, minister of agriculture and food, traveled to Rome to attend a conference of the United Nation's FAO, which is held every second year. The member countries will discuss programs through which famine can be alleviated in many developing countries of the world. The FAO study entitled "Agriculture in 2000" will be discussed and the organization's 1980-81 budget will be approved at the session. [Text] [Budapest MAGYAR HIRLAP in Hungarian 9 Nov 79 p 4 AU]

TV AGREEMENT WITH CZECHOSLOVAKIA--The staging of national evenings, the commemoration of each other's national holidays, exchanging the experiences of staff members, the exchange of news, visits by camera teams and cooperation in coproductions will be made possible by the cooperation agreement signed on Friday [9 November] in Budapest by Richard Nagy, chairman of Hungarian television, and Dr Jan Zelenka, central director of Czechoslovak television. Also, the guiding principles for exchanging programs are laid down in the document. [Text] [Budapest NEPSZABADSAG in Hungarian 10 Nov 79 p 5 AU]

FURTHER REPORTAGE ON VISIT BY AUSTRIA'S KREISKY

Kreisky on Visit

AU271955 Vienna ARBEITER ZEITUNG in German 27 Nov 79 p 1 AU

[Excerpts] Warsaw (AZ)--Chancellor Kreisky's initiative for an East-West power link has been received by Poland with great interest. The Polish side will immediately study the technical prerequisites for the construction of large brown coal power plants that are to supply power to the West. Kreisky's idea that through such a power link the policy of detente will acquire a new dimension and will be economically underpinned is meeting with approval in Warsaw. Premier Jaroszewicz declared at a press conference held jointly with Chancellor Kreisky and Vice Chancellor Androsch: "We share the view that the deepening of economic cooperation also contributes to the deepening of detente."

Prior to his departure from Warsaw, at the press conference held jointly with Jaroszewicz and Androsch, Kreisky reaffirmed the view that Brezhnev's disarmament proposals should be taken seriously and should lead to the discussion of other proposals.

The policy of detente should be institutionalized through an intensified economic cooperation, he said. Kreisky's and Androsch's meeting with Gierek at the Polish Parliament building lasted suprisingly long--1 and 1/2 hours. Bilateral and international political question were discussed. As Kreisky subsequently declared, he had also been given an extraordinarily interesting outline of the Polish views on the pope's visit. On this occasion, the assurance was given that Poland had no intention whatsoever to cause the pope any difficulties in exercising his pontificate.

Economic Talks

AU272010 Vienna WIENER ZEITUNG in German 27 Nov 79 p 7 AU

[Summary] The Austrian Government delegation led by Chancellor Kreisky and including Vice Chancellor Androsch, Trade Minister Staribacher and State Secretary Nussbaumer have reached agreement with their Polish interlocutors on the delivery by Poland of 1.2-1.5 million tons of Polish hard coal beginning in 1984 and extending over a period of 20 years. The financing of this transaction will be handled by the Austrian Kontrollbank and the Polish Handlowy Bank. The transport question is still undecided--there are several possibilities, among them rail shipments via the USSR and Hungary [Vienna ARBEITER ZEITUNG in German on 27 November on page 4, says that shipment through the CSSR will not be considered because of Prague's exorbitant demand of 6 billion schillings for an extra railroad line and a shunting station]

According to Kontrollbank Director General Haschek, the Polish financing concept provides for advance payment by Austria for about one-quarter of the coal to be delivered, in the amount of approximately $300 million, but this question can only be tackled after the transport problem is solved, because transport costs will affect the price of the Polish coal. In addition, Austria will grant Poland a 7 billion schillings loan to finance future Polish imports from Austria. This loan is to be used mostly for capital goods: 4 billion schillings for the purchase of industrial plants, and 2 billion schillings for semifinished products, primarily in the steel sector. About 720 million schillings are to be reserved for grain purchases.

According to Haschek, the 7 billion schillings loan is completely separated from the coal financing, and will exclusively serve to maintain the current volume of Austrian exports to Poland.

According to Trade Minister Staribacher, who negotiated in Poland with Polish Foreign Trade Minister Olszewski, there are good chances for Austrian companies to participate in several Polish industrial projects. At present Austria is annually getting about 400 million kilowatt hours of power from the CSSR under an agreement with Poland, which in turn supplies the equivalent quantity to the CSSR. By 1983, after the completion of a high-voltage DC coupling at the CSSR-Austrian border, through which for the first time a power link between the CEMA countries and West Europe will be established, this quota will be raised to about 1.6 billion kilowatt hours.

"Asked whether the energy imports from East European states would not lead to Austria's becoming dependent on these states, Chancellor Kreisky declared in an interview that the Poles need the money from Austria just as badly as Austria needs electric power from Poland. In view of the turbulent situation in Iran and in the Middle East that kind of dependence is certainly more acceptable, he said." Asked about Poland's high foreign debts, Kreisky said he was aware that Poland was in a difficult economic situation after six bad harvests, but as a creditor Austria was interested in strengthening Poland's economy so as to enable it to meet its obligations.

PRESIDENT CARTER'S WARNING TO IRAN REPORTED

AU271154 Warsaw TRYBUNA LUDU in Polish 24-25 Nov 79 pp 1, 2 AU

[Passage in capitals published in boldface]

[Excerpt] Tehran, New York PAP--ON 23 NOVEMBER PRESIDENT CARTER HAD TALKS IN CAMP DAVID WITH SECRETARY OF STATE CYRUS VANCE, DEFENSE SECRETARY HAROLD BROWN AND NATIONAL SECURITY ADVISOR ZBIGNIEW BRZEZINSKI ON THE DEVELOPMENT OF THE SITUATION IN IRAN. FOLLOWING THE TALKS, PRESIDENT CARTER PUBLISHED A STATEMENT WHICH ASSERTS THAT IRAN WILL FACE GRAVE CONSEQUENCES IF EVEN A SINGLE HOSTAGE DETAINED IN THE U.S. EMBASSY IN TEHRAN IS HARMED. White House spokesman Jody Powell said that Carter's statement is in response to Ayatollah Khomeyni's speech of 22 November in which the Iranian leader has said that the Muslim students will kill the hostages if the United States attacks Iran. The spokesman repeated that the United States will not extradite the shah in exchange of the U. S. hostages.

PAP REPORTS ON U.S.-IRANIAN TENSION CARRIED BY PRESS

TRYBUNA LUDU

AU271224 Warsaw TRYBUNA LUDU in Polish 26 Nov 79 pp 1, 2 AU

[Passages in capitals published in boldface]

[Text] TEHRAN, WASHINGTON, PAP--THE IRANIAN STUDENTS HAVE BEEN OCCUPYING THE U.S. EMBASSY FOR 3 WEEKS NOW AND ARE HOLDING 49 U.S. CITIZENS AS HOSTAGES. THE STUDENTS WANT THE EXTRADITION OF THE FORMER IRANIAN EMPEROR, WHO IS STAYING IN THE UNITED STATES. THEY HAVE THE SUPPORT OF THE IRANIAN GOVERNMENT AND AYATOLLAH KHOMEYNI.

In connection with the crisis in Tehran-Washington relations the Iranian authorities asked for a session of the UN Security Council a few days ago. A spokesman for the Iranian Ministry of Foreign Affairs has reported that the 25 November session of the Islam Revolution Council decided that Minister Bani Sadr will not go to New York and will thus not participate in the Security Council's session.

In an interview for the French TV, A. Bani Sadr once again stressed that the crisis in the relations with the United States can be solved if the deposed emperor and the $17 billion worth of the property he had appropriated are handed over [to Iran]. He condemned the United States for continuing its consistent and dangerous provocations vis-a-vis Iran and stressed that the Iranian people are ready to defend their achievements and that a war [wojenny] conflict between the United States and Iran would result in serious political, economic and military consequences.

In a letter to the UN Security Council Pakistani President Ziaul Haq noted that Pakistan will not remain indifferent if the United States uses force against Iran; such an action would be at odds with the principles and aims of the UN Charter and would result in consequences for the region and for peace throughout the world that are difficult to predict. ACCORDING TO REUTER, ZIAUL HAQ ALSO HAS SENT A LETTER, AT THE REQUEST OF THE UN SECRETARY GENERAL, TO RUHOLLAH KHOMEYNI, ASKING HIM TO FREE THE U.S. HOSTAGES.

'Ali Akbar Mo'infar, Iranian minister of the oil industry, has stated that Iran may halt oil supplies to any state that is hostile to Iran. THE THREAT HAS BEEN ADDRESSED MAINLY TO WEST EUROPEAN STATES IN WHICH THE AMERICAN BANKS HAVE THEIR BRANCHES. Those banks are holding the Iranian assests frozen by President Carter's decisions. At the same time, in keeping with the laws of the West European countries, those branches are subordinated to the individual governments.

Admiral Ahmad Mahdani, commander in chief of the Iranian Navy, has confirmed that the Iranian Armed Forces "will respond blow for blow should there be an American armed action against any objective in Iran". Reports are coming in from Tehran that the West European countries are reducing the number of the staff in their embassies in Tehran to a minimum. Observers have linked that decision with the repeated U. S. threat that force will be used against Iran.

U.S. President Jimmy Carter has met in Camp David with Defense Secretary Harold Brown, National Security Advisor Zbigniew Brzezinski and the chiefs of staff of the armed services. THE WHITE HOUSE SPOKESMAN HAS SAID THAT THE MEETING DISCUSSED ISSUES CONNECTED WITH THE U.S. MILITARY BUDGET FOR 1981, BUT HE DID NOT EXCLUDE THE POSSIBILITY THAT "THE SITUATION CONNECTED WITH THE U.S.-IRANIAN INCIDENT WAS ALSO EXAMINED."

On 25 November U.S. Congressman George Hansen was allowed to enter the occupied U.S. Embassy in Tehran. The students declared that they had agreed to his visit only because he was staying in Iran as a private person and not as an envoy of the U.S. Government. Later on Hansen said that he would propose in the U.S. Congress that investigations should be carried out into the accusations made by Iran against the deposed shah.

ZYCIE WARSZAWY

AU271225 Warsaw ZYCIE WARSZAWY in Polish 26 Nov 79 pp 1, 6 AU

[PAP report: "The Occupation of the U.S. Embassy in Tehran Continues--Is a Turning Point in Sight?"]

[Excerpt] Tehran, Washington, PAP--The tension in American-Iranian relations is continuing.

The Muslim students occupying the U. S. Embassy in Tehran have once again confirmed their plan to put their hostages on trial and the students' spokesman announced in a telephone conversation with a REUTER correspondent that "if President Carter and his aides continue to threaten us, the trial of the hostages will begin at an earlier date."

On the other hand, the Carter administration is continuing to maintain that it will not extradite the shah because, as the White House spokesman said on 23 November, "the shah cannot break off his medical treatment." Contrary to the previous rumors that the shah might soon leave the United States, the physicians expect that one more operation may be necessary, which would prolong the shah's stay in the United States. At the same time, the White House has once again threatened that the "consequences of the killing [zgladzenia] of even a single hostage can [moga] be very grave."

President Carter has called a session of the Joint Chiefs of Staff in Camp David.

The correspondent of the French LE MATIN reports from Tel Aviv that the Israeli Army has expressed its readines to cooperate with the United States if it decided to intervene in Iran.

The Iranian radio has announced that parachute units have begun exercises in the Shiraz Air Base in southeast Iran. The radio has also reported that oil workers have pledged to defend, together with the army, the oil industry installations. The ground forces have also been alerted.

Despite the atmosphere of nervouseness and threat, efforts are being made by many people to have the conflict solved peacefully. Sean McBride, the holder of a Nobel Peace Prize, and Congressman George Hansen are having talks with the Iranian authorities to find a solution to the impasse. It is assumed that the envoy of Pope John Paul II will also establish contact with the Iranian Government.

In an open letter to the chairman of the UN General Assembly, Iranian Foreign Minister Bani Sadr has said that the extradition of the shah and the return of his property are the key to solving the crisis. Addressing the chairman of the UN General Assembly, Bani Sadr continues in his letter: "Mr Chairman, I ask you to appeal to the Western governments to concede to our nation the right that was at one time conceded to Captain Dreyfuss. The issue is not that our nation should take revenge on a sick man, but that it should save its identity and frustrate U. S. intervention."

According to reports from Iran, Ayatollah Khomeyni has sent a message to the Algerian leaders in which he accuses the United States and Israel of having organized the plot to occupy the Grand Mosque in Mecca and appeals to the Muslims "to rise in defense of Islam."

The Jordanian Council of Islam Organizations and Associations proposed on 24 November that the United States and Iran establish an international committee to investigate the present crisis in the relations between the two countries.

Sadeq Qotbzadeh, head of Iranian TV and member of the Islam Revolution Council, has forbidden any "live" programs on radio and television. He has justified his decision by, among other things, "the struggle against the devil" and by the need to "maintain the security and unity of the nation."

The spokesman of the Iranian Ministry of Foreign Affairs has announced that the session of the Islam Revolution Council decided at its Sunday evening session that Minister Bani Sadr will not go to New York and thus will not participate in the UN Security Council's session.

PROTESTANT MINORITIES REPORTEDLY HARASSED BY CATHOLICS

DW271108 Frankfurt FRANKFURTER RUNDSCHAU in German 24 Nov 79 p 1 DW

[Text] Frankfurt, 23 November (EPD) [Evangelical Press Service]--The visit of Pope John Paul II to his homeland has led to a deterioration of relations between the Roman Catholic Church and the Evangelical minority churches in Poland.

Information received by the Evangelical Press Service from Poland says that, for instance, on the first day of the pope's visit to Poland the Evangelical Church in Baranowo (Hoverbeck) in Masuria was occupied by Catholics. An image of the Virgin Mary and an eagle with a crown were immediately put up in the church. Another occupation occurred in Spychowo (Puppen) near Szczytno (Ortelsburg) in October. When the Lutheran parson and his small community left the church after a service they were received by a Roman Catholic priest and a group of people. The Lutherans were prevented from locking their church which only recently had been completely renovated with the assistance of West German communities. The keys were taken away from them, the Catholics intruded the church, erected an altar they had carried along and locked the church in sight of the Evangelicals. It is now a Roman Catholic Church.

BABIUCH, GRUDZIEN ATTEND PARTY REPORT-BACK CONFERENCES

LD272248 Warsaw Domestic Service in Polish 2030 GMT 27 Nov 79 LD

[Summary] Party report-back and election conferences are taking place throughout the country.

"The urban report-back and election conference held today in Raciborz was attended by Edward Babiuch, PZPR Central Committee Politburo member and secretary of the Central Committee; and Zdzislaw Grudzien, first secretary of the PZPR Voivodship Committee in Katowice."

POLITBURO, GOVERNMENT PRESIDIUM DISCUSS ECONOMIC PROBLEMS

LD270033 Warsaw Domestic Service in Polish 1800 GMT 26 Nov 79 LD

[Text] The Politburo of the PZPR Central Committee and the Government Presidium at a joint session today discussed the main problems of the draft National Socioeconomic Plan for 1980. Examining the draft of the main proportions of the plan against the background of current internal and external conditions, particular attention was paid to structural changes in production, essential to an increase in exports and to improving the situation on the domestic market. In discussion, the necessity was stressed of guaranteeing an improvement next year in the effectiveness of management, mainly in decreasing unit costs and economies in unproductive sectors. It is also essential to further streamline the economic system and to decrease consumption of raw materials and materials, as well as fuels and energy. There was also discussion of the tasks connected with increasing the effort towards developing housing construction, speeding up the development rate of the power industry and transport and a rise in agricultural production.

An increase in discipline in implementing planned tasks at all levels of the national economy will be of great significance for the realization of tasks next year.

GREETINGS MESSAGE, ADDRESSES TO RCP CONGRESS

MSZMP Message

LD201056 Budapest NEPSZABADSAG in Hungarian 20 Nov 79 p 3 LD/AU

[Greetings message from the MSZMP Central Committee to the 12th RCP Congress in Bucharest--date not given]

[Text] Esteemed congress, dear comrades, on behalf of the MSZMP Central Committee, the communists of the Hungarian People's Republic and the Hungarian people engaged in socialist construction, we convey our comradely greetings and good wishes to the 12th RCP Congress, the party's members and the people of the friendly Socialist Republic of Romania.

The Hungarian Socialist Workers Party is aware of and highly evaluates the achievements attained by the communists, workers, peasants and intellectuals of the Socialist Republic of Romania since the RCP's last congress. It is a matter of joy that Socialist Romania is dynamically developing and advancing forward in building socialism. It is our conviction that on the basis of the resolutions adopted by the Romanian Communist Party's 12th Congress, further successes will be recorded in the development of the country's national economy, in the improvement of the people's material and intellectual welfare and in making the socialist system of society flourish.

On the basis of decades-long common history and revolutionary struggles, the best sons of our history recognized that the Hungarian and Romanian peoples can achieve happiness only through unity. The historical conditions for this unity were realized following the anti-fascist liberation fight of the Soviet Union when our peoples could set off on the road of socialist construction. This rendered possible that relations between our countries and peoples grow in the spirit of cooperation and friendship. We are neighbors and the peoples of both countries are working on building socialism. An outstanding stage in the development of our ties was marked by the 1977 meeting between Comrades Janos Kadar and Nicolae Ceausescu. The implementation of the tasks outlined at the meeting is serving the further consolidation of our cooperation. We are convinced that the continued expansion of our relations is in the interest of both countries' peoples, and that is why our parties and governments are striving for deepening our good-neighborly links and for developing our political, economic, cultural and other ties. An important factor of our countries' friendship is the existence of a Romanian nationality living in the Hungarian People's Republic, and of Hungarian nationality in the Socialist Republic of Romania. It is in our shared interest that our nationalities growingly play the role of bridge in the friendly relations between the Hungarian and Romanian peoples.

In the fight for the consolidation of international peace and security, for the advancement of the cause of detente and disarmament and for social progress, a growingly important role is played by the unity of socialist countries, communist and workers' parties and their joint stand against imperialism. In order to achieve our shared aims and to fruitfully solve our joint tasks our party and government will continue to strive for good cooperation based on the principles of proletarian internationalism both in Hungarian-Romanian bilateral relations and in the Warsaw Treaty Organization, as well as in our joint activities within the Council for Mutual Economic Assistance.

The Hungarian Socialist Workers Party and our country's working people, too, are preparing for stocktaking: We have begun preparations for our 12th congress. In the implementation of the 11th congress resolutions and in the realization of our Fifth 5-Year Plan, our people have attained significant results.

The power of working people is firm in our country. The party enjoys the people's confidence, our people are engaged in building a developed socialist society. In the spirit of Marxist-Leninist principles, the Hungarian Socialist Workers Party is creatively applying the general laws of socialist construction in the given domestic conditions. On the international battlefield we are advancing together with the countries of the socialist community, communist and workers parties, and with every revolutionary, progressive and democratic force in the interest of socialism, social progress and peace.

Dear comrades, we wish the 12th RCP Congress successful work. It is our sincere wish that the congress may impart a new impetus to your work of socialist construction and foster the continued progress of socialist Romania in all areas of life.

May internationalist collaboration between the MSZMP and the RCP and friendship and cooperation between our countries grow stronger, in the interest of the two peoples and for the good of socialism and peace!

[Signed] The MSZMP Central Committee.

Cuba's Hart at Congress Meetings

FL230054 Havana Domestic Service in Spanish 2230 GMT 22 Nov 79 FL

[Text] Bucharest--Armando Hart Davalos, member of the PCC Politburo, has stated that peace will only be definitive when imperialism is eliminated and the ideas of Marx, Engels and Lenin triumph throughout the world. The Cuban leader spoke at a Cuban-Romanian friendship meeting held at the "Sower" agriculture machinery plant and which was attended by several hundred workers and administrative and political leaders of that enterprise.

In his remarks Cuban Culture Minister Hart referred to the ties of brotherhood and solidarity uniting the Romanian and Cuban people and he stated that this has been possible because of the triumph of socialism in the two countries. He emphasized that the Romanian and Cuban peoples are united through the most just ideas for which men have struggled over centuries--for the ideas of Marx, Engels and Lenin, the working class and scientific socialism. He stated that although their enemies are still powerful, fearing the advances of the revolutionary forces throughout the world, at present we are living in the era of the triumph of socialist society.

At the 22d [as heard] RCP Congress, Hart Davalos briefly touched on the development of this doctrine since it was formulated last century by Karl Marx and Friedrich Engels. He stated that the October Revolution of 1917 in Czarist Russian opened the way for national independence and socialism on a path has included victories over fascism in the 1930s and 1940s and the collapse of the colonial and neocolonial world. He referred to the example given to the world by the Vietnamese people in defeating the most powerful empire in history. He also recalled how the United States was not able to prevent the triumph of the revolution in Angola or Nicaragua.

Cluj Delegate on Hungarian Minority

AU231944 Bucharest AGERPRES in English 1142 GMT 23 Nov 79 AU

[Text] Bucharest, AGERPRES, 23/11/1979--Iosif Kovacs, delegate for Cluj, pro-rector of "Babes Bolyai" University of that locality, vice-president of the State Council, stressed that the efforts of the Cluj teaching staff and researchers are channelled to the securing of the integration of education with research and production.

He showed that the scientists of this important centre of the country participated in solving some important problems of the economic and social practice in Romania, worth mentioning in this respect being the results of the Cluj chemists, physicists, mathematicians, historians, linguists and economists.

In my quality of professor of Magyar nationality, the speaker went on, I do my duty to my conscience by expressing the high appreciation the pupils, students and teaching staff, the working people of Cluj County give to the scientific, highly-principled and deep humanistic way in which the Romanian Communist Party solved the national question, securing full equality of rights, equal possibilities of training and assertion for all sons of the homeland, irrespective of their nationality.

The Cluj County is one of the telling examples in this respect. Almost 200,000 youth are learning together in Cluj schools and faculties in the Romanian, Magyar or German language, under the guidance of a teaching staff of over 10,000. Here, as everywhere in the country, each one learns in the language one wants. In Cluj County alone, there are 94 kindergartens, 125 schools and sections with tuition in the Magyar language. At the same time, two of the 39 lyceums are completely structured with education in the Magyar language, 14 lyceums are mixed ones having sections in the Romaian and the Magyar language. Students of Romanian, Magyar or other nationalities are learning and preparing themselves in full brotherhood for work and life in the Cluj University, like in the other higher learning institutes of Cluj-Napoca, confirming in practice the justness of the RCP policy as regards the national question.

POLITICAL EXECUTIVE COMMITTEE MEETING ON CONGRESS RESULTS

AU272006 Bucharest AGERPRES in English 1848 GMT 27 Nov 79 AU

[Text] Bucharest, AGERPRES, 27/11/1979--The meeting of the Executive Political Committee of the CC of the RCP, took place on November 27, 1979, chaired by Nicolae Ceausescu, the general secretary of the Romanian Communist Party. During the meeting, the Standing Bureau of the Executive Political Committee was appointed--a body securing the rapid coordination of the party and state activity.

The Standing Bureau is led by Nicolae Ceausescu, general secretary of the party, and its members are: Iosif Banc, Emil Bobu, Cornel Burtica, Elena Ceausescu, Virgil Cazacu, Nicolae Constantin, Constantin Dascalescu, Paul Niculescu, Gheorghe Oprea, Ion Patan, Dumitru Popescu, Gheorghe Radulescu, Ilie Verdet, Stefan Andrei.

The Executive Political Committee designated Mihai Dalea as first deputy chairman of the Central Party Collegium and Andrei Cervencovici as deputy-chairman. As is known, the Twelfth Congress of the RCP elected Petre Lupu as chairman of the collegium.

The Executive Political Committee took various measures regarding the good functioning of the Executive Political Committee, of the Secretariat of the CC of the RCP, of the Standing Bureau of the Executive Political Committee, of the Central Auditing Commission, of the commissions of the CC of the RCP, of the sections and of the whole apparatus of the CC of the RCP.

The Executive Political Committee was highly appreciative of the way in which the Twelfth Congress of the RCP was carried on, considering that it proved a high political and ideological level, demonstrating the improved competence and training of communists, the strength of the party, the authority it enjoys within the broad masses of working people, the esteem and love of the whole party and of the whole people surrounding General Secretary Nicolae Ceausescu.

Showing the numerous achievements in all domains of activity, the congress also adopted documents and resolutions of historic importance, opening a broad and bright prospect to Romania's multilateral progress.

The Executive Political Committee emphasized the tasks incumbent on the central party bodies in securing the implementation of the resolutions and documents adopted by the Twelfth Congress of the RCP, in meeting the requirements of developing the Romanian society over the current stage and further.

Nicolae Ceasescu underlined the necessity that all members and candidate members of the CC of the RCP, as well as the members of the Central Auditing Commission should steadily act for improving the whole activity, for raising the level of the scientific management of the Romanian society in accordance with the tasks set by the party, by the congress.

The Executive Political Committee established the convening of the session of the Grand National Assembly on December 13. The Executive Political Committee decided that actions be taken in the period preceeding the next congress of the Socialist Unity Front to take place at the beginning of 1980, for the setting up of the SUF own organizations.

In connection with the elections of deputies to the Grand National Assembly and to the People's councils, which will take place on March 1980, the Executive Political Committee established that measures be adopted for deputies to the Grand National Assembly and to the people's councils to represent better the country's citizens. In this respect some modifications will be made to the electoral law. Measures will also be adopted for improving the organization and activity of the county people's councils and of their standing bureau. The Executive Political Committee established measures for securing a good preparation and proceeding of the election campaign for deputies to the Grand National Assembly and to the people's councils.

CPSU'S PELSHE ADDRESSES PLOIESTI FRIENDSHIP MEETING

AU222110 Bucharest AGERPRES in English 1930 GMT 22 Nov 79 AU

[Text] Bucharest, AGERPRES, 22/11/1979--At the "1 Mai" oilfield equipment [words indistinct] enterprise of Ploiesti a Romanian-Soviet friendship meeting took place on Wednesday November 21.

In his speech, Eng. Stelian Teodorescu, the manager of the enterprise, showed that significant successes were scored by the industrious working collectivity of the "1 Mai" enterprise. The annual growth rate averaged 16.2 per cent. In 1979, deliveries to foreign partners have been 2.8 times greater [word indistinct].

Reminding, in that context, that the collaboration relations of the enterprise with Soviet enterprises have expanded more and more, the speaker told the audience that the Ploiesti industrial unit which has exported to the USSR hundreds of drilling rigs and other kind of equipment, now supplies fully equipped blow-out preventers, cementing units, roller bits and spare parts. As a matter of fact, exports to the Soviet Union account for 18 per cent of the overall exports of the enterprise. Moreover, [word indistinct] collaboration between the Romanian and Soviet experts was shown to help the steady improvement of its products. At the same time, he referred with satisfaction to the traditionally good relations of friendship established between the two parties, countries and peoples, to the ascending course to which a decisive contribution had been made by the frequent meetings between Nicolae Ceausescu and Leonid Ilich Brezhnev. Your delegation, dear friends, he said having come to attend our party's congress is another proof of the good relations between the RCP and the CPSU, another contribution to their deepening and expansion on multiple planes, to the benefit of our peoples, in the interest of the general cause of socialism and peace throughout the world.

Addressing the meeting, A.I. Pelshe said that the Soviet people sincerely rejoice at Romania's achievements which speak of the wide-ranging organizational activity of the Romanian Communist Party. In the report of the Central Committee of the RCP delivered by Comrade Nicolae Ceausescu, he said, great tasks are mapped out whose fulfillment will provide for the development of Romania's economy in the next five-year period and in the longer range.

Stressing that the achievements of Romania, of all fraternal socialist countries proved the constructive force of the socialist system, the fruitful collaboration of their peoples, the speaker underscored the high appreciation which the Communist Party of the Soviet Union give to the friendly relations between the USSR and Romania.

On the basis of the treaty of friendship, collaboration and mutual assistance, the links between the Soviet Union and Romania, the speaker went on, have diversified and deepened more and more. Useful exchanges of experience and contacts are taking place on party and public organization lines. There is a fertile cooperation in the key industries, in science and technology, and certainly, in trade, which is expected to total nine thousand million roubles under the current five-year plan, up 70 per cent from the previous five-year period.

Our common task is to take action for the fullest possible translation into fact of the ideas and theses laid down in the declaration of continually deepening collaboration and fraternal friendship between the CPSU and the RCP, the Soviet Union and Romania signed in 1976 by Leonid Ilich Brezhnev and Comrade Nicolae Ceausescu.

The communist parties guiding socialist and communist construction make a deep-going and many-sided analysis of the requirements, particularities of the next decade. Considerable attention has been given to that matter during the meetings Leonid Ilich Brezhnev had with Nicolae Ceausescu and the leaders of other fraternal parties and countries in the Crimea this summer. A (?clear) conclusion is inferrable, which is to make the next two five-year periods a time of intensive cooperation in production and in science and technology. We have every condition, every premise--political, economic, ideological--for that aim to become true.

Certainly, cooperation should be mutually advantageous. Each country has its own interests, particularities, traditions, in a word--objective economic conditions. We pursue to achieve a cooperation meeting the interests of all participants. The vitality and might of our community lies precisely in its ability to rationally harmonize the national and international interests of all the countries. We are sure, the speaker said, that by acting together, closely coordinating our efforts, strengthening collaboration with the developing countries, with the non-aligned movement, with the realistic political circles in the West, relying on the peoples' will of peace, we can come to the point where Europe and the world should be freed from the threat of a new war, of the arms race.

SFRY'S DRAGOSAVAC SPEAKS AT BUCHAREST FACTORY

LD220732 Belgrade TANJUG Domestic Service in Serbo-Croatian 1602 GMT 21 Nov 79 LD

[Text] Bucharest--Dusan Dragosavac, secretary of the Presidium of the LCY Central Committee, who is leading the LCY delegation at the 12th RCP Congress, paid a visit this afternoon to the Grivita Rosie factory for machines and equipment for the chemical industry in Bucharest. On this occasion a meeting of Yugoslav-Romanian friendship was held at which Dusan Dragosavac gave an address.

The factory was also visited by LCY delegation members Dzavid Nimani, president of the Presidency of the Socialist Autonomous Province of Kosovo, member of the LCY Central Committee; Trifun Nikolic, Yugoslav ambassador in Romania and Dusan Lazic, group leader in the Section for International Cooperation of the LCY Central Committee Presidium.

Dusan Dragosavac first expressed his thanks to the managers and workers of the factory for the warm welcome received, and then he said that he was sincerely glad about the great successes which the working class and all working people of Romania are achieving in socialist construction under the leadership of the Romanian Communist Party.

The LCY delegation, added Dusan Dragosavac, had the opportunity to hear about the great results achieved by the working people of Romania at the congress, which opened new prospects for further all-round development of Romanian society in all spheres of life and work. According to Dragosavac, the LCY delegation was certain that the labor collective of this factory is making an important contribution to the successes of the Romanian economy. The Grivita Rosie factory is not only a modern enterprise but also has a long revolutionary tradition, stressed Dragosavac, adding that it represents in the true sense of the word the cradle of the revolution in Romania.

Dusan Dragosavac went on to say that he was particularly glad that the LCY delegation was visiting Romania immediately after the visit paid by President Tito and the talks held between Tito and Ceausescu, which concluded that friendly Yugoslav-Romanian relations and cooperation are continually developing and being made constantly more profound in the mutual interest and in the interest of peace and socialism in the world. According to Dragosavac, such successful development of Yugoslav-Romanian relations is the result of consistent adherence to the principles of sovereignty, noninterference, mutual benefit, respect for the rights of every people freely and independently to decide on the paths of its development and responsibility toward its own working class and people.

Dusan Dragosavac said further that all the conditions exist for further expansion of cooperation between our neighboring countries in all spheres. He stressed that he sees in the comradely attention with which the LCY delegation has been surrounded from the very beginning of its stay in Romania yet another confirmation that our peoples, countries and parties are linked by feelings of closeness and friendship.

The secretary of the LCY Central Committee Presidium then spoke about the successes of Yugoslav citizens and working people in the socialist construction of the country, and about the further development of socioeconomic relations on the bases of self-management.

On the international level, Dusan Dragosavac went on to stress, Yugoslavia and the LCY conduct a nonalined policy which is Yugoslavia's permanent foreign policy orientation. Proceeding from this policy Yugoslavia and the LCY, Dragosavac added, wage a consistent struggle for the strengthening of peace and security, for the relaxation of international tension, against the arms race, for equal economic and political relations between all countries, regardless of their size, for more rapid economic development, for the freedom and independence of all countries and peoples. In conclusion, he reiterated his thanks for the warm hospitality and conveyed warm comradely greetings from the communists and working people of Yugoslavia to all communists and working people of Romania.

Before the meeting began the guests from Yugoslavia were welcomed and greeted in front of the factory by Eugen Ganea, technical director at the works, and Mihai Popa, party secretary of the collective. They informed the members of the LCY delegation about the production results of the works, where of 5,000 employees about 2,000 are party members.

After a short tour around the workshops, Mihai Popa, party secretary at the enterprise, spoke first at a meeting, briefing the guests about the production results and successful cooperation achieved between the factory and Yugoslav work organizations, and also about friendly cooperation between the two countries.

AGERPRES OUTLINES STEEL INDUSTRY DEVELOPMENT

AU081144 Bucharest AGERPRES in English 0915 GMT 8 Nov 79 AU

[Text] Bucharest, AGERPRES, 8/11/1979--Alongside other detachments of the working class in Romania, the metal workers meet the forthcoming forum of communists--the Twelfth Congress of the RCP--with an outstanding sum-up: In the period elapsed of this five-year plan (1976-1980), the overall and marketable output of the branch has grown at an annual average rate of 10 per cent. This year, as compared to 1975, the units of the metallurgical industry supplied the national economy with more than three million tons of pig iron, 3.6 million tons of steel, four million tons of finished plain steel rolled goods, one million tons of coke, 500,000 tons of pipes, other processed metal goods. Outstanding achievements have also been recorded in the diversification of production. New brands and marks of metal have been assimilated, especially special steels that are in ever higher demand with the manufacturing branches. Some one fifth of the production of the branch in 1979 is made up of products introduced into fabrication under this five-year plan. As regards the use of the modern fabrication procedures, worth mentioning is the fact that following the extension to almost 22 per cent of the procedure of continuous casting of the steel semi-fabs, some 140,000 tons of conventional fuel, as well as 42 million kwh electric power [as received]. Similar effects were brought about by the extended use of oxygen blown furnace, the vacuum treatment of steels.

For 1980, Romania intends to turn out a steel output of 17-18 million tons. This level will be reached mainly following the commissioning of the Calarasi combine, the largest iron-and-steel unit of Romania. In a final stage, it will turn out, among other things, 10 million tons of steel.

According to the draft directive, [and] to other programmes which will be endorsed by the 12th Congress of the RCP, Romania's steel output will stand at 20-20.4 million tons by the end of 1985, marking a 45-48 per cent ri[illegible] as to 1979. In harmony with the planned development of industry by 1990, the steel output is envisaged to reach 25-27 million tons, primarily channelled toward the achievement of assortments with higher technical properties.

UN SECURITY COUNCIL SESSION ON IRAN WELCOMED

AU271606 Belgrade TANJUG Domestic Service in Serbo-Croatian 1415 GMT 27 Nov 79 AU

[Excerpt] How do you view Kurt Waldheim's initiative on urgently convening the UN Security Council to discuss and to solve the crisis in U.S.-Iranian relations? This question was asked of Mirko Kalezic by journalists at a press conference in Belgrade on 27 November. The spokesman of the Federal Secretariat for Foreign Affairs replied:

"We welcome the initiative of General Secretary Kurt Waldheim because what is involved is a very serious crisis, which can have unforeseeable consequences.

"Proceeding from principled positions, we constantly point to the need to consistently respect the UN Charter in solving the disputes between states and in seeking peaceful solutions for crises which threaten international peace and security.

"Although we still have no reports on how the agenda is defined and what frameworks have been set for the topics to be discussed in the Security Council," the spokesman said. "We are convinced that a peaceful solution of the problem of hostages, in accordance with the generally recognized norms of international law, would be a positive contribution in this direction. In this connection, we particularly point to the humanitarian aspects of this case.

"We hope that, on this occasion again, the feeling of responsibility and realism will prevail on all sides, and this may lead not only to the solution of the conflict, but also to the creation of opportunities for strengthening the equitable and constructive relations among sovereign states. As is known, the countries of the nonalined movement also advocate these principles.

DEDIJER PROPOSES RUSSELL TRIBUNAL ON SHAH'S RIGHTS VIOLATIONS

LD231231 Belgrade TANJUG in English 1124 GMT 23 Nov 79 LD

[Text] Belgrade, November 23 (TANJUG)--Russell Tribunal President Vladimir Dedijer, renown Yugoslav historian and academician, plans to convene a Russell Tribunal on former Iranian Shah Reza Pahlavi's human rights violations. Dedijer has, through the Iranian Embassy in Belgrade, informed Iranian Prime Minister [as received] Bandi Sadr about this, the Yugoslav weekly NIN writes in the latest issue.

In case the proposal is not approved by Russell Tribunal members, Dedijer is ready in his own name to participate in proceedings against the former Iranian sovereign before any international court.

The Yugoslav weekly recalls that at its last session in Cologne last January, the Russell Tribunal discussed human rights violations in the Federal Republic of Germany.

KOSTIC DEFENDS FEDERAL BUDGET BEFORE FINANCE COMMITTEE

AU251945 Belgrade BORBA in Serbo-Croatian 20 Nov 79 p 4 AU

[S. Ivanovic report]

[Text] Belgrade, 19 November--Despite the anticipation that at today's session of the Budget and Finance Committee of the SFRY Assembly Federal Chamber, Petar Kostic, federal secretary for finance, would defend the individual items of the draft budget of the federation for 1980 or at least answer the numerous criticisms of this document that was made in the assembly bodies, and not only there, he nevertheless decided instead to make certain comparisons by which he virtually explained, rationally and graphically, why the federal budget next year should amount to 132 billion dinars.

It is no secret, Kostic said, that 57.3 percent of the federal budget expenditure is set aside for National Defense and that in this connection the expenditures for the Yugoslav People's Army are by far the largest part of the budget. At the same time 10.8 percent of the budget is allotted for underdeveloped republics and provinces and for a faster development of Kosovo, 13.6 percent for veterans' disability insurance and veterans pensions and 6.6 percent for the work of all organs and organizations of the federation. Expressed in percentages, the commitments from previous years amount to 2.8 percent of the budget expenditure. It is particularly important to note that noneconomic investments amount to 1.9 percent of the total budget revenue of the federation.

Thus the budget reflects the needs of the federation, Kostic said. He pointed out that the Federal Executive Council sees no possibility of a reduction in the budget because such a reduction would threaten the basic functions of the federation and national defense and the rights of other users of the budget funds. Naturally this does not mean that the Federal Executive Council is not aware of the seriousness of the situation and that it is not ready to seek some new solutions to provide for the funding of the federal budget in some other way that would be different from the one used now.

The Federal Executive Council, Kostic emphasized, is aware of the fact that an increase in the participation of the republics and provinces in financing the federal budget is unacceptable but in practice this means that there are only two sources of funds left to finance the budget: first, an increase in taxes on trade and, second, an increase in important duties. But the question then arises: How would this look in practice. As Kostic explained, this would lead to new price increases, to further inflation and to a higher growth rate of the social product which, under existing conditions, would mean an automatic increase in the claims of the users of the budget funds.

Continuing his statement, the federal secretary for finance informed delegates of the Federal Chamber's Budget and Finance Committee that the Federal Executive Council is ready to take certain measures. Among other things it will propose that the commitments from previous years toward all users of the budget funds be re-programmed to extend over a certain number of years. Furthermore, it is necessary to aim at a more realistic estimate of the growth rate of the social products as well as at insuri g that the law on financing of the federation will be reexamined as early as next year. It is particularly important, Kostic stressed, to put an end to the practice of determining the federal obligations and at the same time not the sources from which these obligations will be financed. Only when this is accomplished, will the federal budget be able to successfully perform its special function, Petar Kostic said.

CENTRAL COMMITTEE CONSIDERS ECONOMIC, SOCIAL POLICIES FOR 1980

LD240420 Belgrade TANJUG Domestic Service in Serbo-Croatian 1208 GMT 24 Nov 79 LD

[Text] Belgrade--The joint session of the SFRY Presidency and the LCY Central Committee Presidium, held on 7 and 20 November 1979 and attended by highest-ranking federal officials and presidents of the presidencies of the socialist republics and autonomous provinces, considered the realization of the economic and social policies this year and the basic orientations for 1980.

The Presidency and the Presidium agreed on the appraisal of the economic situation, the results achieved, causes and consequences of unfavorable economic developments in individual production sectors and on the tasks of all of society's subjective forces in the resolute overcoming and elimination of economic difficulties and the consistent implementation of the policy of stabilization in 1980. The SFRY Presidency and the LCY Central Committee Presidium, acting within their competences and responsibilities, will take all the necessary initiatives and measures in the next period and coordinate in connection with the realization of the tasks set in this field.

Proceeding from this and from the orientation expressed during the comprehensive critical discussion at the session, the LCY Central Committee Presidium adopts the following conclusions:

I.

It was judged that this year again, due to the great efforts of the working class and all working people, rapid economic development has been achieved on the basis of the system of socialist self-management. Significant results are being achieved with regard to the growth of production and the raising of the standard of living of the working people, and results are also being achieved in a number of other fields of socioeconomic development. However, numerous disproportions in the economic structure and shortcomings in economic activity are at the same time growing deeper and, in the conditions of the deterioration of the international economic situation, have led to serious economic difficulties. The economic situation this year is pregnant with threats of further deterioration.

The LCY Central Committee Presidium points out:

--That the basic systemic solutions are being applied slowly and that work has also slowed down on the adoption of the remaining regulations which regulate relations in social reproduction on the basis of the SFRY Constitution and the Law on Associated Labor. A large percentage of income is still alienated from workers in associated labor. All this slows down and hinders the total development of self-managing relations. In those sectors of reproduction which are lagging behind in the development of self-managing socioeconomic relations, the unfavorable trends in material development are becoming more acute.

--That unfavorable trends are continuing in the distribution of income, and the gap between the income achieved and all the forms of consumption is growing wider. This leads to disruption of goods-monetary relations, an excessively high boom on the domestic market and an accelerated rise of prices and the balance of payments deficit. This is also causing an unsatisfactory economic position of the organizations of associated labor in social reproduction, which is preventing them from assuming important functions in the struggle for stabilization and for socioeconomic development as a whole.

--That inflation has reached a high level in our country and tends to grow at such a rate as to upset the processes of social reproduction and cause tense relations within it. Inflation is also preventing a realistic appraisal of business results and development trends, weakening the economy's competitiveness and threatening to devalue important socioeconomic achievements.

--That the unfavorable trends in economic relations with foreign countries, which have for years now manifested themselves in the form of a growing trade and balance of payments deficit, have this year assumed serious proportions. The dynamic growth of production and consumption has in recent years drawn further and further away from our real material possibilities. This growth has relied in a pronounced manner on an internal boom which has exceeded the capacity of the commodity funds and on increased importing of reproduction materials, equipment and foreign assets, while export has increased insufficiently. This, along with the growth of investing, has led to a constant increase in indebtedness and production dependence on foreign countries. The trade and balance of payments deficit is now the country's key problem and has become acute to such an extent that it is becoming a limiting factor of development and is having a very unfavorable effect on the total reproduction processes. The country's indebtedness abroad has reached the level which must not be exceeded.

II. It was judged that the causes of the unfavorable economic developments, apart from the objective ones--certain structural and other development difficulties, the serious worsening of the international economic situation and especially the high rise of the prices of oil and other imported raw materials and equipment and the intensification of protectionism in international exchange, as well as the unforeseeable spending on the elimination of the consequences of the earthquake in Montenegro and other natural disasters--were also to be found in subjective shortcomings. This was reflected in shortcomings in the implementation of the agreed policy of economic stabilization and the unity of the Yugoslav market, which had been supported verbally in all areas but had not been energetically and consistently implemented everywhere. There is not enough readiness to give up excessive spending, though this is indisputably demanded by the situation. Likewise, there is not enough persistence in seeking to harmonize separate interests in order to implement the policy of stabilization as a common interest of the whole of society.

There is stubborn insistance on the realization of planned investments and ambitious spending programs despite the changed internal and international economic conditions. Economic policy measures have not always been in keeping with the real development needs and with the implementation of the policy of development. Their adoption on the whole is lagging behind and they do too little to encourage responsibility in associated labor, the republics and the provinces.

This also aggravates difficulties and problems and leads to the increasingly frequent use of administrative measures. Also pronounced are the phenomena of disrespect for the obligations arising from self-managing agreements and social accords.

Some of the problems in economic development and the development of socioeconomic relations which we face today have been in evidence for quite a long time and are of such a nature that a longer period will be needed to solve them. It is indispensable that in 1980 we should make an organized, effective and resolute effort to prevent the continuation of the unfavorable trends in the economic activity and begin to change them, so as to be able to base the next medium-term plan on realistic and qualitatively new foundations. Due to this, 1980 is of exceptional importance from the point of view of our entire socioeconomic development. The realization of the policy of economic stabilization and the speedier self-managing transformation of the entire area of social reproduction will determine the directions, structure and rate of development for a long period of time.

III. 1. The LCY Central Committee Presidium considers it to be urgent to undertake a broad social action and resolute mutually coordinated measures in all environments and at all the levels of social organization in order to strengthen socialist self-managing production relations and implement systemic solutions.

This presupposes speedy and energetic action, so that the indispensable and realistically possible changes could be made in the conditions of economic activity and in economic instruments as early as the beginning of 1980 in order to insure a halt in the unfavorable socioeconomic trends.

The Presidium points particularly to the need for decisive action by communists and by League of Communist organizations and leaderships on the consistent application of systemic solutions in the sphere of economic relations with other countries, the credit, banking and monetary system, the prices system, tax and the contribution and application of the principle of the free exchange of labor. In connection with this, it is essential to insure that the coordination of this activity is monitored in an organized way in all sociopolitical communities. Communists and League of Communist organizations and leaderships in organizations of associated labor, assemblies of sociopolitical communities, economic chambers and other self-management organizations and communities must call for a discussion of the causes of lagging behind in the application of systemic solutions in these spheres. They should also set out their own obligations in eliminating weaknesses and adopting and carrying out programs of ideopolitical activity and contribute to further, more rapid and more complete development of self-management relations.

Delegate assemblies in all sociopolitical communities are responsible for the coordination and general looking after of the implementation of systemic solutions. On the basis of the Constitution they are responsible for adopting legal and other acts necessary for the direct application of systemic laws, and the Federal Executive Council and executive and administrative organs of all sociopolitical communities are responsible for their realization. The role and responsibility of commissions of delegate assemblies from municipality to federation which monitor the implementation of the Law on Associated Labor are of special significance, as is as complete an involvement as possible by them in the realization of these tasks.

The federal councils should be actively involved and speed up work on clearing up and coordinating standpoints on open questions in connection with adopting the remaining systemic laws and on further working out systemic solutions. It is of vital importance that all the remaining systemic solutions be adopted during next year in order to provide new bases and possibilities for the pooling of labor and resources. This would make it easier for associated labor to plan its development in the next medium-term period on the basis of an insight into the totality of the conditions of economic activity.

The development of income-based relations, the pooling of labor and resources, distribution according to work results and the consistent application of systemic solutions in practice should be the focus of direct activity of communists and all socialist subjective forces. The League of Communists must struggle against all forms of arbitration and instances of nonself-management concentration of income, as well as against the adoption of investment decisions by a team of technocratic and bureaucratic forces, bypassing the workers in associated labor. In such an instance, the League of Communists must demand specific responsibility of individuals and organs. It is essential for League of Communist organizations and forums to develop such ideopolitical activity as will enable them to be at the center of the fight for the realization of all these tasks, fighting resolutely against practicism and particularism.

Of exceptional significance is the constant and everyday battle --in basic and other organizations of associated labor of material production and other social activities-- to raise the productivity of labor and to make better use of capacities and social resources as a whole, which is a vital factor of socioeconomic development and economic stabilization.

We need to resolutely create conditions in which productive work is socially, materially and morally highly assessed and valued. In this sense, we need to speed up the working out and realization of tasks from the conclusions of the sixth and seventh sessions of the LCY Central Committee on topical ideopolitical questions of the acquisition, disposal and distribution of income and resources for personal incomes and the tasks of the League of Communists and of other subjective forces in this.

2. The mainstay of the development policy for 1980 must be the strengthening of the position of our economy in international trade. The dynamics and directions of development and all measures and work in sorting out our internal economic relations should insure, above all, the strengthening the economy's export activity, a reduction in its import dependence and a resolute coordination of imports with balance of payments capabilities, an end to the continued growth in the rate of indebtedness of the country and the maintenance of the necessary foreign currency reserves to insure liquidity for international payments.

The export of goods and services, which should be founded on a greater use of domestic resources and which enables the more intensive development of production and greater growth in labor productivity according to the criteria of the world market, as well as production which would rationally be substituting for imports, should gain a general social priority. In this, particular significance is gained by the greater application of science and knowledge. In realizing the aims and tasks in the sphere of economic relations with other countries, it is of essential significance that workers in associated labor really decide on the conditions of economic activity in this sphere and dispose of the foreign currency which has been gained.

Economic policy measures should insure such conditions of economic activity as would strengthen the economic interest of organizations of associated labor in exports and in income-based linking for a more organized approach on the world market. The Presidium considers that all the relevant organs should urgently approach a discussion of the assessments and proposals of federal councils on basic questions of economic relations with other countries and they should set out measures and activities with a view to their concretization and realization. Proceeding from this, we should make efforts to see that the established solutions should be incorporated as much as possible into the economic policy for 1980 and are applied in practice. It should thereby be possible to stop unfavorable tendencies in this sphere and to create the conditions for a gradual reduction in the balance of payments deficit. On these bases, more lasting and long-term measures and criteria for economic activity and development should be worked out and gradually introduced.

It is necessary to work decisively for such economic growth which will be based on the consolidation of the qualitative results in the economic activity and which will be in line with the real material possibilities and with the economic stabilization policy. This calls for a speedier change of the structure of production in order that exports might increase, dependence on imports decrease, the level of work productivity raised and contributions made to maintaining the dynamics of the economic activity.

3. The economic stabilization policy necessarily demands self-denials in investments, in general, joint and personal consumption, in imports and in other sectors as well as a change in the relations in the distribution of income to the benefit of associated labor.

To slow down the growth in consumption represents in present-day conditions the basic possibility for decreasing tension in goods-monetary relations and for slowing down price growth.

In this way favorable conditions are being created for export expansion and for improving the economic position of organizations of associated labor in the economy which bear the brunt of the struggle for stabilization, exports and higher quality economic activity. A change in the behavior of factors outside organizations of associated labor and the implementation of their obligation to bear their part of the burden of stabilization will substantially ease the adaptation of the economy to difficult international and internal economic conditions.

A more noticeable slowing down in the growth of noneconomic consumption, prevention of anticipated consumption by the further development of the system and the taking of measures and actions aimed at reducing the burden of the economy through credit obligations should make it possible to increase the share of the economy in the distribution of the income realized. The taking of decisive and concrete measures in this direction is of strategic significance for the further socioeconomic development and the basic precondition for the working class becoming the master of the entire social reproduction; it is also significant for halting of unfavorable tendencies in the economic activity.

Communists must decisively work for real personal incomes in the economy not being able to grow more than the increase in work productivity, while personal incomes in other social activities as well as other personal receipts remain within the bounds of the growth in workers' personal incomes in material production. Allocations for joint and general consumption should as a whole grow more slowly than the increase in income next year. It is the duty of communists in every area and among all exponents of investment decision to try to see to it that investments are without any further delay and without exceptions coordinated with the real resources available and that investments in noneconomic activities are noticeably reduced.

Communists in trade unions and other sociopolitical organizations as well as in all self-managing organizations and communities and sociopolitical communities should take concrete actions towards having realized in practice the principle of distribution according to the results of the current and past labor. It is also necessary to try persistently to have workers in basic and other organizations of associated labor make their views known and adopt decisions once a year on all allocations from the income for the financing of general social and joint needs.

Social compacts and self-managing agreements on the disposition of income and the distribution of personal incomes and all decisions, regulations and accords on general, joint and investment consumption in organizations, municipalities, provinces, republics and the federation, which are not in line with the economic stabilization policy should be reexamined and changed. This presupposes mutually coordinated action by all exponents of decision-making on social resources with the provisio of achieving agreement on the sequence of priorities in meeting social and joint requirements next year and on the limits of burdens on the economy and the populatinn (?as well as) on obligations for their financing.

All measures taken in the sphere of distribution and consumption should contribute to the consolidation of the economic position of organizations of associated labor in the economy, should encourage pooling of labor and resources, consolidate free exchange of labor and market criteria of the economic activity. The burden of stabilization must be borne by all sections of society. Communists must commit themselves more decisively to the creation of conditions for speedier organizing and linking up of associated labor, on the basis of self-management, into reproduction and income-interdependent entitles on the uniform Yugoslav market. This represents a significant precondition for the realization of the role of associated labor in planning and implementing development plans based on the pooling of labor and resources.

In order to implement the major tasks in eliminating the consequences of the catastrophic earthquake in the Socialist Republic of Montenegro additional efforts by the entire Yugoslav community are necessary, and this calls for the greater involvement in the struggle for the implementation of the policy of economic stabilization. One should also count on additional efforts of the community in supporting speedier development of the socialist Autonomous Province of Kosovo.

The general social action of saving is an integral part of the realization of the policy of economic stabilization. Organizations of associated labor, self-management interest and sociopolitical communities should set out their savings programs which will insure a reduction in the costs of business activity, more rational use of resources, better use of working time and maximum mobilization of the internal resources at their disposal. All consumers of budget resources should set out specific programs for savings and measures aimed at reducing the growth in budget expenditure and securing a more rational use of resources which the economy sets aside for these purposes. It is of special significance to make savings of foreign currency, including nongoods expenditures, which are going up sharply.

Every communist in his own environment is dutybound to resolutely oppose the squandering of social resources on various celebrations, entertainments, excessive business and tourist journeys, sports matches, festivals and other manifestations and gatherings on which social resources are spent unjustifiably under the guise of presenting the organization's prestige and also on other bases. The working people and their self-management and delegate organs without whose decisions not even this expenditure is possible, should be informed regularly about all forms of these expenditures. It is unacceptable that new programs should be started and various social and other rights to expenditure established without a prior statement on the subject by all those who pay for this expenditure through their income.

The energy situation demands of all subjects in society responsible use and saving of energy, particularly imported energy, which is a serious burden on our balance of payments. Energy saving programs should be an integral part of all savings programs and development plans. The LCY Central Committee Presidium considers it an urgent need to establish a joint policy on energy which would be based on a rational production structure in accordance with the domestic energy resources available. Also of essential importance for the resolution of the energy problem is the establishment of income-based relations on the basis of pooling labor and resources between producers and consumers of energy, the power industry, mining and other economically mutually dependent organizations.

4. The development policy in 1980 should be anti-inflationary in its orientations, contents and measures, and should secure such conditions of economic activity as will contribute to the growth in prices being lower than this year.

The prices policy next year, which is to be established by agreement between the republics and provinces, should act as a function of the realization of the policy of economic stabilization. In this it is essential to insure a greater role and responsibility for the organizations of associated labor, a stronger effect of market criteria on the formation of prices and the necessary social control of the consistent realization of the agreement on prices policy.

It is essential to speed up work on adopting the law on the system and social control of prices.

Communists are dutybound to hinder the abuse of monopoly positions and tendencies by individual producers, trade and sociopolitical communities and other selfish particularistic interests to drive up prices unjustifiably and insure a more favorable position in primary distribution, cover irrational business activity and insure resources for isolationism in investment financial projects at the expense of others. The realization of the policy of stabilizing prices, as well as a reduction in appropriations from the economy, also demands increased efforts by organizations of associated labor in overcoming weaknesses in business activity and the use of income, primarily, low productivity of labor and other irrationalities in economic activity. To this end we need to suppress the inflationary financing of all forms of consumption and adapt our credit and monetary policy to this.

The LCY Central Committee Presidium points particularly to the economic and social significance of efforts to slow down the growth in the cost of living and to suppress serious weaknesses in supplying the population with basic food, fuel and essential services. Communists in the relevant organizations of associated labor, local communities, municipal assemblies and other sociopolitical communities are dutybound to take the initiative in reappraising the organization and functioning of the supply of towns. They should call resolutely for the establishment of specific programs, exponents and resources which would insure qualitative changes in supplying citizens and they should insist on full responsibility from the organs and organizations which should be resolving these questions.

5. There is a need to strengthen responsibility for the consistent implementation of the economic stabilization policy with all the material and social consequences, together with a sharpening of the market criteria of economic activity. There is a need to oppose instances of hesitating between the obligations towards an established policy and the desire to preserve positions which have been reached or to realize an ambitious program of development and consumption and avoid the inevitable self-denials without which more stable economic trends cannot be set up. Shortcomings in implementing the established economic policy must be eliminated resolutely, as must serious delays in agreement making and implementing what has been agreed, and the responsibility of the republics and provinces for implementing joint development plans must be strengthened.

It is essential to carry out resolute political action on respecting the law, on a consistent application of self-management agreements and social agreements and on implementing economic policy measures. At the same time, anyone who does not behave thus should be opposed forcefully, particularly those who draw some advantage from not respecting the law and inconsistently applying self-management agreements and social compacts and so transform positions which they have gained into lasting rights.

The behavior in implementing the economic stabilization policy must be one of the basic criteria for the assessment of the results of work of all communists, and in particular of those who occupy leading posts in self-managing organizations and in sociopolitical communities. In the present phase of our development the question of the political and material responsibility for the implementation of the agreed-on policy has exceptional significance. Relevant sanctions must be consistently applied when it is a question of omissions and mistakes by individuals, executive, managing, business, self-managing and other organs on whose decisions the implementation of the economic stabilization policy in organizations of associated labor and in other self-managing organizations in the communes, provinces, republics and the federation depends.

IV. 1. The Presidium of the LCY Central Committee considers it necessary that all republican, provincial, state and party leaderships, in line with their constitutional position and in line with their responsibility for the implementation of the policy of socioeconomic development, make an immediate assessment on the extent to which the agreed-on policy of economic stabilization has been implemented and on the kind of tendencies one should expect in the economic development in the next period. On the basis of this, an organized and broad action should be set in motion, an action in which communists should set an example and which should be aimed at preventing the further deepening of unfavorable tendencies in economic activity.

On this basis an economic policy for next year should be formulated which will be in line with the real possibilities of our economy and with the demands of the further development of our self-managing socioeconomic system and the consolidation of Yugoslavia's position in international exchange.

A particular responsibility for this is borne by the SFRY Assembly and the Federal Executive Council as well as the administrative organs of the federation, whose duty is to create, in line with their constitutional powers and their responsibilities for state in the federation, legislative regulations, measures, actions and conditions, and fight decisively for the consistent implementation of systemic solutions, the development of socialist self-managing relations and the training of associated labor for the implementation of its role in social reproduction and the consistent implementation of the economic stabilization policy.

In the public debate on the documents concerning the implementation of the development policy in 1980, it is necessary to insure at all levels and in all environments the broad involvement of workers in associated labor and of all working people in the critical assessment of the business policy and the development policy this year. It is necessary to sum up the results and to make positive experiences generally accessible, while at the same time the causes of lagging behind and of omissions should be examined and such a policy of development for next year established which will be in line with the more lasting, individual and general interests of the exponents of economic activity and the entire social community.

2. The LCY Central Committee Presidium believes that all organizations and leaderships of the League of Communists and communists in other sociopolitical organizations--the Socialist Alliance, the trade unions, the Socialist Youth Federation, delegate assemblies and their executive and managing organs, in organizations of associated labor, chambers of economy and other associations of associated labor, self-managing interest communities in social activities and material production--should, by proceeding from these conclusions, compile concrete action programs of their activity in implementing the economic stabilization policy and in applying systemic solutions in social practice.

The LCY Central Committee Presidium stresses that with the full mobilization of subjecting forces of our society and of all working people aimed at the fullest possible use of the available production potentials, cadres, knowledge and advantages of our self-managing socioeconomic system the present economic difficulties can be successfully overcome and conditions for a comprehensive and stable economic and social development insured. Therefore, the activity concerned with the preparations and adoption of medium-term plans on the basis of self-management is of foremost sociopolitical significance. For our socialist self-managing society, the path of implementing the economic stabilization policy and of material and social progress lies in the consistent development of self-managing socioeconomic relations in which the working class is the master of all essential levers of the policy of material and social development. The League of Communists, its members, organizations and leaderships bear a great social and political responsibility for the successful course and outcome of this very significant social activity.

DJURANOVIC DESCRIBES UNFAVORABLE TENDENCIES IN ECONOMY

LD231352 Belgrade TANJUG Domestic Service in Serbo-Croatian 1125 GMT 22 Nov 79 LD

[Text] Belgrade, 25 Nov 79--Veselin Djuranovic, president of the Federal Executive Council, visited the BORBA editorial office on Wednesday, 21 November. On this occasion, Premier [as received] Djuranovic spoke about topical sociopolitical problems and the assessments and standpoints of the LCY Central Committee Presidium on these questions, on which conclusions by the LCY Central Committee Presidium have just been published.

We are publishing the replies by Veselin Djuranovic, president of the Federal Executive Council, to questions from BORBA journalists.

[Question] Comrade Djuranovic, in what measure have the basic tasks of the socioeconomic development policy this year been achieved? How far has the reality of the conditions envisaged, which were counted on when the development policy was drawn up, been confirmed?

[Answer] The programmed rates of growth have been achieved in a series of aspects of social development, thereby further strengthening the productive capacity of society. This relates primarily to the level of growth of the social product, which in 1979 will amount to nearly 7 percent, and to the increase in industrial production, which will be higher than planned, at over 7 percent. This also relates to the growth rate in employment, reaching over 4 percent; and to a certain degree also to labor productivity and to the realization of the policy of increasing the standard of living and the social standard and so forth. There is no doubt that very dynamic growth rates and important results are involved.

On the basis of data at our disposal in connection with the trends of realization of income, its distribution, and with the trends of individual forms of consumption in the first half year and in the first 9 months of this year, it may be stated that certain positive indicators may be noted in individual sectors of income distribution. Whether this will be confirmed in the trends revealed by the final account for 1979 is yet to be seen. It is therefore necessary to be very wary in assessments as to whether a number of long-term positive tendencies in regard to income distribution are involved here. Despite the results which have been achieved in material development, when analyzing as a whole economic processes and problems and the development of social relations this year, it is indubitable that in certain important aspects we have not achieved the policy set out, that a number of unfavorable tendencies have been aggravated, and problems continue to become more acute in certain sectors of social reproduction.

[Question] In which areas in particular is the set policy of socioeconomic development not being achieved?

[Answer] I should stress, in the first place, that with regard to the application of the new systemic decisions we find ourselves--concerning the situation in 1979--in a certain state of stagnation which reflects unfavorably upon the development of self-managing social relations. We are confronted with insufficiently well-organized social action on the realization of these tasks. That in itself explains why this year there has been no vital change in the ability of associated labor to undertake important functions, in the new conditions, in the struggle for stabilisation and in the struggle for further development.

Nor have we succeeded in halting unfavorable tendencies and opening the process toward positive changes in the sphere of income distribution.

In this area we have not made any particularly important turn this year, and in spite of a number of positive phenomena, there remain the same problems which we faced last year. Hence the assessment that we have not succeeded in insuring an improvement in the material basis of associated labor, and to the accumulative and reproductive capacity of the economy which we envisaged. It is nevertheless an encouraging fact that in the first 9 months of this year 51 percent more funds have been allocated for the expansion of the material basis of associated labor than in the same period last year.

The greatest difficulties and most complex problems have arisen in the sphere of economic relations with foreign countries. In this sector of socioeconomic relations a further aggravation has come about which is characterized by a further increase in the trade deficit, and, on this basis, a further increase in the balance of payments deficit.

Finally, we are confronted with a further aggravation of inflationary tendencies, so that the increase in retail prices has reached a level of about 23 percent, whereas we had counted on inflation slowing down.

[Question] Why, in your opinion, have satisfactory results now been achieved in these sectors?

[Answer] It is indisputable that the causes are dual in nature: subjective and objective. It is also indisputable that the vital and deciding factors are the former, that is the subjective ones. In the first place, I should proceed from objective causes, among which the most important is the exceptionally high increase in the prices of oil, and also of other imported goods which followed in the first quarter and in the following months of 1979; and now a new increase has been announced. The influence of inflation from outside is certainly reflected more strongly this year.

A reduction of the income from tourism has been brought about because of the earthquake.

Owing to the poor wheat yield we have had to spend more on importing grain.

The influence of these factors was so significant that in the middle of the year new frameworks for the balance of payments deficit and for prices policy had to be proposed and adopted.

In addition, it must be borne in mind that the results of our economic activity are also reduced because the Socialist Republic of Montenegro suffered great damage from the catastrophic earthquake, while the broader community used about 7 billion dinars for eliminating the consequences of the earthquake this year, which must not be ignored when the overall state of affairs is assessed.

As far as subjective causes are concerned, I should stress first of all that we are poorly organized with regard to the application of the new systematic decisions; the necessary coordination of labor and action of all factors has not been achieved in this, in accordance with their role in society. Furthermore, we have not involved all creative forces of society in the correct way on concrete tasks of application of individual systematic decisions. This may be confirmed by examples both in regard to the application of systematic decisions in the sector of economic relations with foreign countries, in the area of banking and the financial and monetary sphere and in the sphere of social planning, as well as in regard to the realization of the principles of free labor exchange and distribution of income.

Critical monitoring of these processes is still not sufficiently well organized in our country. There is not enough generalization of practive nor timely derivation of conclusions for practical action in this respect. Such an attitude toward the application of the new systematic decisions in the final analysis demands that the question be asked as to whether these decisions are fully adopted ideopolitically in all environments and in the League of Communists itself, particularly where activities toward their practical application are involved. This is a long-term process, but that cannot be used to justify postponement of those tasks which can and must be carried out at this moment.

[Question] Have we by such an attitude, which we might call rather a passive attitude, encouraged the idea that in conditions of economic difficulty, the system of self-management must be aided by some "more effective" measures, that is by administrative measures?

[Answer] Basically, no. In fact, I should say that the situation has forced us to regard more critically and with greater self-criticism our shortcoming in work on concretizing systematic decisions. We have thereby increased our mobility so that it is precisely now in this situation that we can move in a more organized way and more decisively in the struggle to apply the new systematic decisions.

It must be borne in mind here that certain state measures are specifically marked out in the new systemic regulations. The state cannot deny these measures in situations which are to a certain degree exceptional. Just this year we have been in a situation to assess the suitability of undertaking such measures. These dilemmas arose with the measures on fixing a price ceiling, which were adopted this summer and which were mistakenly interpreted as freezing, which is not accurate, since prices may be increased by a special procedure. Dilemmas also arose when we were faced with the danger of breaching the newly agreed balance of payments and currency-balance positions of the republics and provinces.

In a situation where we have (?a certain) stagnation in the development of self-managing relations on the basis of implementation of the Law on Associated Labor and of other systemic laws, state measures--primarily federal measures--although based on legal regulations, may objectively encourage conceptions that the present problems may be settled by administrative measures.

It is precisely the opposite. Everything points us toward the fact that the path for solving such serious, acute, complex and not so very short-term problems in development, which have become manifest and with which we are now confronted, this path can lead only via mobilization of the masses, by means of development of self-management and by means of realization of the constitutional positions of the working class and working people, that is of associated labor.

There is no doubt that the struggle for the application of systemic decisions is the affair of all socialist forces of our society, from the basic organization of associated labor to the highest organs in the federation. But this is a definition of responsibility in its most general form. The question arises in a very concrete form as to who is responsible for the situation and the relations, for example, in the development of self-management contents of interest communities for economic relations with foreign countries; or who is responsible for the transformation of banking from the standpoint of the deciding influence of associated labor and so forth.

Namely, is it only executive organs, more concretely the executive councils of the republics and provinces and the Federal Executive Council? These are certainly primarily responsible for implementing the law, according to the Constitution and the law. But this is in practice not only a complex but also a politically sensitive activity, for it is a question of self-management organizations and self-management organisms as a whole--of social relations, in fact--and so the involvement of only executive organs is quite easily qualified as state interference. Hence the need for coordinated involvement of all subjective socialist forces in implementing the new systemic decisions.

[Question] What have you to say about the tasks and work of the SIV where the monitoring of the implementation of systemic changes is concerned?

[Answer] I must say that our analyses of work in the SIV and in the administration organs show that we are still not sufficiently organized in monitoring the practical implementation of the systemic laws in the SIV and the administration organs. Within the framework of the assembly program and the SIV program, it is the practice to draw up definite analyses with regard to implementation of the systemic decisions. Experience gained in certain areas is generalized in the analyses, which are submitted to the assembly, and the assembly adopts the appropriate resolutions or recommendations. The SIV also adopts standpoints on this. The essential question for me, however, is that of organization of practical action on application of the system and coordination of the work of all factors on achieving this task, for this practical action apparently does not correspond to the present. This points to the clear conclusion as to what we should do now.

A more comprehensive analysis of the social practice would show that the implementation of the systemic solutions is to a considerable extent spontaneous and also that there is quite a widespread view that self-management will develop automatically merely owing to the fact that we have adopted systemic solutions.

The following question poses itself here: Is the halt in the implementation of the systemic solutions also due to the inadequate involvement of the conscious socialist forces in associated labor, the delegate system and the mechanism of self-managing consultations and social agreement-seeking?

This is an exceptionally big problem which calls for a broader explanation. I would only recall here that Edvard Kardelj, speaking about the fact that one of the major problems of our delegate system which were slowing down its consolidation was the "way in which the position and role of that part of the social structure which we usually call the socialist subjective facets of society are manifesting themselves," said the following in his work "The Directions of the Development of the Political System of Socialist Self-Management": "I do not think that I will be exaggerating if I say that this subjective factor of society, both as a whole and in its individual parts, lies too far toward the periphery of the developments taking place in self-managing associated labor and the delegate system." I do not think that this assessment has ceased to be topical.

[Question] Directly connected with the struggle for the realization of the systemic solutions is also the battle for the stabilization of socioeconomic relations. To what extent has the policy of stabilization been truly accepted in all environments?

[Answer] I think that one may accept the assessment that the orientation toward the policy of economic stabilization has not been fully accepted ideologically and politically in many environments, including, in a broader sense, the League of Communists and other socialist forces.

This is also the basic cause of the failure to implement this policy in 1979. It is difficult to explain in any other way the fact that we have not made a more fundamental change in any sector of consumption, that we are behaving in an exceptionally leisurely and irrational manner and that we are not ready for any self-denial even when the situation unconditionally demands this from us.

It is as if the complacency caused by the dynamic rate of growth and the rise in the standard of living, which we have had in recent years, has blunted our sense of genuine timely perception of problems and thereby also our sense of action.

[Question] Is it not true that this is also borne out by the difficulties emerging in connection with the coordination of separate interests to form one common interest?

[Answer] It certainly is. To illustrate this, I should like to recall the long discussions in connection with the agreement on the development of the oil economy, on the determining of the balance of debts owed to foreign countries and on the balance of payments positions of the republics and provinces. The consequences of these long-lasting consultations are definitely unfavorable, because in the meantime trends have gone further than what was envisaged in the plan. Naturally, when attention is being drawn to this there is no intention to question the need for patient and democratic work on the coordination of different interests--which are objectively different--on the basis of consultations and agreements, which must be the basic method of coordinating interests. However, we must also see the other side of the problem.

The causes of the failure to carry out the specific tasks contained in the resolution for 1979 also lie in the incompleteness of some of the economic policy measures or in the delay in their adoption. The main problem in this connection is that some more important measures, those that stem from the orientation adopted in the resolution, are as a rule passed after the resolution, at times even several months later. This happened this year again. This applies to certain measures which were passed as late as April this year and also the delay in the adoption of one of the most important documents--the list specifying the balance of payments and foreign exchange positions of the republics and provinces.

[Question] On several occasions it has been noted that the relations in the sphere of distribution of income and the social product are very tense and that we are facing the growing trend toward a widening gap between the income achieved and all the forms of consumption. What is the situation in this respect at the moment?

[Answer] I have already noted that certain positive results were achieved in the first 9 months of the year. However, we do not yet possess enough facts to be able to say that this state of relations is undergoing a fundamental change or that it has been changed.

Imbalance between consumption and income continues still today to be one of the basic contradictions, though not the one basic contradiction, or our socioeconomic development a contradiction which gives rise to numerous problems which we face today and which represent a factor which restricts the implementation of the policy of economic stabilization. This is also borne out by the results achieved in 1979.

Consequently, at the moment when we are discussing the economic situation and appraising it, we must quite clearly and without hesitation find that the inappropriate relations in the distribution of income, which are detrimental to accumulation, do indeed represent one of the most serious problems which we are facing.

It is worth emphasizing that this is not a characteristic of this year or last year, but that the tendency toward a depletion of associated labor's real funds has been present since before the end of the 1960s. The fact which demonstrates that demands on the income of the economy have reached a level of about 38 percent is completely sufficient warning of the seriousness of this situation. Not much proof is needed to show that it is a fundamental question for the development of socialist self-management.

An end to the weakening of the material basis of associated labor, a weakening which comes about as a result of such tendencies and such relations in distribution, and the opening up of the process of strengthening this material basis are in fact a question of creating the socioeconomic conditions for the further development of socialist self-management, a question which has a deep class content. Also, the continued deepening of these tendencies on the one hand deepens all the other contradictions in our society, and on the other hand holds back the implementation of the policy of economic stabilization.

[Question] Can these relations be applied and can a positive trend be achieved in the distribution of income, or rather can we implement a policy of stabilization without self-denial?

[Answer] Of course, we must change these relations; we must stop unfavorable tendencies thus manifested, although this is turning out to be more difficult than was imagined, for there has been a great leap in investment construction, and besides this, the development of nonproductive activities has reached a level which is holding back the levelling down of general and joint consumption. I think that we must stress as the imperative of the moment, considerably more resolutely than we have formulated it until now, that there can be no policy of stabilization and success in its implementation without corresponding renunciations, suitable changes in the distribution of the social income and stopping the negative tendencies which are characteristic of all forms of consumption. If this is so, and I think it is, then we must start from the basic generator of consumption, or of demand, and this means (?a rise in the rate) of the population's buying power as a whole.

[Question] Which basic unfavorable tendencies dominate in the distribution of income?

[Answer] First, it is certain that the growth in personal incomes does not depend decisively on the effects achieved in production, and that in fact their growth and their real size are not influenced crucially by the productivity of labor, the real results of work and the efficiency of business and economic activity, but to a greater extent are influenced by the components of consumption, the rise in the cost of living, rises in retail prices and so forth. Regarding the current practice, where the criterion of distribution according to work results does not dominate, I think it should be said that an efficient policy of distribution, which would be a function of the struggle for economic stabilization and for a change of relations in distribution in favor of associated labor's accumulation, cannot be achieved through self-management mechanisms and current agreements, understandings and rules on the distribution of personal incomes.

Of course, inflation has a strong influence on all this and it is also acting at the moment as a cause of such disturbances in distribution.

The other unfavorable tendency in the sphere of distribution which is directly connected with this [words indistinct] is that the real allocations for accumulation are what is left over from distribution. This, among other things, is confirmed by the following fact. In 1975, 9,145 dinars per worker were set aside for the funds of the economy, and this is very low.

The tendency to setting aside such low amounts also continued in the following years. This is also confirmed by statistics for the first 9 months of this year, when about 12,500 dinars per worker were put into the business funds of the economy. And it is estimated that with unfavorable tendencies this allocation might amount to about 15,000 dinars, calculated at current prices, for the whole year. This also is very little, for when one excludes the effect of inflation, then this allocation per worker is in real terms lower than it was in 1975.

The facts demonstrate that in situations and years when the envisaged growth of the social product and of productivity of labor are not realized throughout the country generally, in these conditions also there is a larger growth in real personal incomes above what was agreed as policy and set out.

Of course, these discrepancies in trends in personal incomes, labor productivity and social production demonstrate the untenability of this kind of situation and this kind of policy from the point of view of eliminating the causes of instability, or more precisely, from the point of view of carrying out the economic stabilization policy.

[Question] Where is the main generator of high purchasing power and thereby of high demand?

[Answer] When one analyzes the whole situation, it is well known that the growth in purchasing power, which generates higher demand, is first seen in the high growth of all aspects of final consumption, from personal to investment consumption. In the context of this, for example, the statistics for 1976-78 show that personal consumption grew at a rate of 6.3 percent, that is, it grew more than had been planned, and the standard of living went up at a rate of 6.4 percent, which again is above the planned level, whereas the growth rate of the social product was lower than planned.

The continuation of the trend toward high demand, in other words high purchasing power, is also confirmed by the developments in 1979. In this year's January-September period the total receipts of the population were higher by 35 percent than in the same period last year.

In the conditions created by the deterioration of the economic situation in the world, as well as in our country, and by the relations in the distribution of income, the attitude to the policy of growth of personal consumption and in that framework also of personal incomes has the significance, in my view, of one of the key questions in the struggle for economic stabilization. This is so because it is more than obvious that the present growth is not based on the real growth of income and its corresponding distribution.

[Question] The question which poses itself is whether the policy of stabilization can be carried out successfully without self-denial in society, without sacrificing certain things.

[Answer] I should like to recall that Comrade Tito spoke at the Eighth Congress of the Trade Union Federation about the need to "tighten the belt" as an indispensable prerequisite for the implementation of the policy of stabilization. However, in advocating this attitude, he said at the same time that this did not mean the classical policy of "tightening the belt," but certain forms of self-denial which were in keeping with the present situation.

Proceeding from this point of view, I do not think that this is a policy aimed at freezing personal incomes, but one of a policy of restricting to a greater extent the growth of real personal incomes, a policy restrictive to the extent determined by the rate of the growth of the productivity of work. We must, obviously, be more resolutely oriented toward insuring that real personal wages are growing at a slower rate than the productivity of work. It is essential that the growth of real personal income does not in any case exceed the growth of the productivity of work. This refers, it goes without saying, to overall relations.

[Question] How is the implementation of this policy to be insured?

[Answer] It is quite certain that there is no way other than the self-managing agreements and social accords becoming the basic mechanisms for the regulation of the movement of personal incomes, in other words of their real growth. In this situation and in light of this orientation, the leading forces--the League of Communists, the Trade Union Federation and the Socialist Alliance--have the decisive role, influence and significance. The objective analysis of the situation shows that these factors' role is inadequate. It goes without saying that this should be accompanied by a parallel anti-inflation action on a broader front, because the high rate of inflation distorts relations in the sphere of the acquisition and distribution of income.

When I say this, I bear in mind the fact that inflation cannot be halted completely, that prices and the cost of living will go on rising, but that we must achieve a longer growth than now. Consequently, nominal personal incomes will certainly continue to rise, but real personal incomes must stay within the limits of the growth of the productivity of work, which, objectively speaking, is the only real source of increase both in personal consumption and in the personal standard of living and all other forms of consumption.

[Question] What is the situation regarding the other forms of consumption, which are also significant causes of inflation and instability?

[Answer] The trends in investment consumption, which are most directly linked with all this, deserve special attention. It is a fact that the rate of investment consumption is high and that it is at the same time accompanied by a low rate of investment profitability. Also, preliminary estimates of the basic resources considerably exceed the really available funds, which serve as the basis for annual allocations for investment building. This means that the breadth of the investing front is determined not by the really available funds, but by ambitions and megalomanical programs. This is another difficulty caused by the inadequate acceptance of the policy of stabilization. This also serves to confirm that factors outside associated labor exercise a powerful influence on decisions concerning investments.

It is understandable that, owing to the existing relations in the sphere of investment consumption, the proponents of investment should choose to seek supplementary accumulation, either on the basis of domestic bank loans or on the basis of supplementary accumulation from abroad, often failing to ask, when they are doing this, what the consequences will be on the economy's level of indebtedness, what the price of capital is and how the conditions of economic activity will be affected by all this.

A particularly unfavorable trend in this connection is due to the fact that all the proponents of investment orient themselves toward insuring investments in their basic resources, while leaving the questions of their working resources unattended or unresolved. In this connection it is characteristic that the rate of growth of investing in the basic resources is quite high, while the rate of investment in the working resources is negative.

[Question] Therefore the economy is increasingly indebted to the banks, and this is one of the most important reasons for reproduction of the old relations in the sphere of banking.

[Answer] Yes. In such a situation current reproduction must for the most part work on the basis of bank credits. In these conditions the problem of transformation of banking now poses itself. While on the one hand we aspire to transform credit relation at least in the most vital, basic aspect, on the other hand conduct in investment policy generates precisely the need for credit relations, for without such credits it is impossible to guarantee the turnover of funds for investments in a situation where deformations and disruptions in income distribution are great.

[Question] What place "falls" to the federal budget in the context of an analysis of the failure to implement the stabilization policy and of unfavorable relations and tendencies in income distribution?

[Answer] The basic data about the federal budget speak sufficiently clearly of the complexity and gravity of this problem. The basic characteristic is the constant increase in federal expenditures, so that it is quite indisputable that the present volume of the budget and the constant increase in budget expenditures, to which the size of the budget is linked, represents one of the important causes hampering the implementation of the economic stabilization policy.

The great increase in the federal budget exerts great pressure on the increase in appropriations from the income of the economy, regardless of how the mechanism of financing the federal budget is established. For example, the increase in trade tax, which is part of the federation's source of revenue, brings about increases in prices. According to calculations which may be regarded as approximately accurate, the increase in trade tax makes up one-fifth of the annual increase in prices.

The constant great increase in the federal budget increases the amount of deficit financing and since it is our orientation not to increase the issue funds in order to cover a deficit in the federal budget, this leads us to increase the contributions of the republics and provinces in order to cover the increased deficit in the federal budget, which then is reflected in the policy of appropriation from income and encourages inflationary tendencies.

[Question] There is quite a lot of criticism of the SIV for not proposing changes to this system of financing...

[Answer] It must first of all be recalled that in the draft federal budget for 1980, 90 percent of all federal expenditures are accounted for by expenditures on the Yugoslav People's Army, veterans' disablement pensions and additional funds for the underdeveloped republics, and also part of the obligations for these needs from earlier years. For this medium-term period we have established the method of financing these expenditures and have regulated this by means of the law on federal financing. There is a certain degree of automatism here, for the funds are formed in relation to the social product and the real increase in the cost of living. Without considerable disturbances in financing the designated basic federal expenditures, with the possible nonfinancial implications this might have, it is not possible to effect changes for next year which would have any vital effect on reducing budget expenditures.

The SIV continues to exert efforts to achieve some reduction of the expenditures for 1980; however, it is clear that in preparations for the new medium-term plan we will have to alter the present system of financing federal expenditures, for it is clear that were the present system to remain, the problems would be made yet more profound.

[Question] What, in your opinion, are the basic causes for such negative tendencies in the balance of payments and in our country's trade with foreign countries?

[Answer] In my opinion, there are two causes of a more permanent nature which accompany us and which must occupy our attention not only in 1980, but also in the entire coming period.

First, it is a question of a fall in the average annual growth rate of real exports. Second, there is the increase in the import dependency of industrial production, which is unambiguously shown by the fact that the import dependency of industrial production has increased from 15 percent in 1966 to 31 percent in 1974, or to more than 38 percent in 1979.

There are a number of reasons for the fall in the growth rate of imports. There is the fall in the competitiveness of exports, with an insufficiently active policy of the dinar exchange rate this year; there are the structural disharmonies in the economy which have been with us for a long time already; and there is the lack of a long-term export strategy, which is very difficult to establish in reality in the conditions of the present world trends. And there is the restriction on sales in certain areas of the market of manufactures which are produced on the basis of a purchase license, the unfavorable trend in the development of the world economy, which gives rise to increased protectionism on the part of the highly-developed countries and threatens exports, and so forth.

[Question] In which direction should action be aimed in order that the unfavorable tendencies which have been noted might be overcome?

[Answer] According to what we have discussed so far in the Federal Executive Council, all forces must be involved, above all, in increasing exports. This is a basic task and complex measures are needed in order to realize it. Of course, we also need to work on reducing the import dependence of industrial production, on the basis of speeding up structural changes,with a critical reappraisal of conditions for the import of contemporary technology. Finally, we will also need a selective rationalization of imports, at least at first, while we are creating the basic conditions for expanding exports.

By consistently applying systemic solutions, we must strengthen the economic interest of organizations of associated labor in exports so that exports mean income and not losses, and on this we must present and work out certain measures, we must reappraise the rate of protection of domestic production up until now with a view to making economic activity in our country more subject to the criteria of the world market, and finally, we must aim at a certain slowing down of the domestic economy, which would also be a condition for a stronger orientation toward exports by the economy.

We must direct and develop even more energetically our economic cooperation with the nonalined countries and increase our whole organization regarding other countries.

[Question] The situation is complex and serious, so does it also require complex measures?

[Answer] We really need to build up a total program of measures for the coming medium-term period. There is now a good basis for this, for the federal councils have coordinated the position worked out on the further development of economic relations with other countries. Part of these measures should be incorporated into economic policy as early as 1980. Among the measures for next year, there are some which should be considered and undertaken as quickly as possible.

First, we must improve the conditions of financing exports of capital goods and investment work, in which we are now, I should say, in a somewhat better situation with the formation of the Yugoslav Bank for International Economic Cooperation. This problem must be solved on a permanent basis.

Second, we must make constant efforts to strengthen the selective crediting of exports within the context of a credit and monetary policy. Despite efforts to affirm this policy and to make it more materially secure, it is a fact that in this respect the space for maneuvering is rather limited, I repeat, mainly because of the involvement of emission funds in covering the deficit of the federal budget. But this should not reduce our efforts.

Third, the situation with the balance of payments deficit and the lack of economic interest by organizations of associated labor in imports, in view of the fact that it pays better to be on the home market, indisputably points to the need to carry out a more active policy regarding the exchange of the dinar next year, in view of the realistically expected changes in export-import trends and relations between currencies.

Fourth, when it is a question of trading systems, the conditions must be created so that the Federal Executive Council in the majority of cases should not set out goods and foreign exchange quotas, as has been done up until now by the relevant decisions, but it should only be done for those of special significance. In this connection, preparations are now being made to work out a suitable procedure of preliminary agreement-making and accord in the framework of the basic organizations of associated labor, self-management interest communities for economic relations with other countries and the relevant federal organs and organizations which would specify mutual relations and obligations in the sense of applying systematic solutions. On this, of course, I bear in mind the fact that the goods system is not an instrument of balance of payments restrictions.

[Question] Why is the balance of payments deficit considerably higher this year?

[Answer] As is well known, a significant increase in the deficit came about as a result of the great rise in oil prices and increased imports of oil. According to the accounts for this year, the growth in oil prices had the effect of our paying about $600 million more for oil this year than last year. Similarly, because of the needs of energy output, $300 million-worth more oil was imported this year than last. Also, because of the reduction in foreign currency income from tourism, less income is now expected on this basis than had been envisaged. We also imported wheat worth $36 million because the harvest was disappointing this year and reserves are down. Apart from this, the accounts show that the value of imports increased by about $200 million on the basis of the increase in prices of other raw materials and imported goods, which was also influenced by the rise in the price of oil, of course.

However, it is demonstrated that on top of all this there was a further escalation in imports, and on this basis there will be an increased balance of payments deficit. This is because on the one hand a suitable level of exports was not achieved and on the other, imports were increased.

Commodity trade trends and the increase in the trade deficit this year were also unfavorably influenced by the slow process of adoption of balance of payments positions and foreign currency balance positions by the republics and provinces and their effect, so that trends in imports and exports, or part of them, went beyond what had been agreed.

So, the problems are exceptionally complex and serious and there is a need for all the experiences and lessons from this year to be considered comprehensively--in detail and in good time--in the struggle for the balancing of our commodity trade with other countries and for the application of systemic solutions in this sphere.

[Question] In connection with tendencies in the balance of trade and of payments, is there also the question of the country's level of indebtedness toward other countries?

[Answer] Of course, this is most closely linked and interconnected.

The most urgent thing to be stressed now is that we should be involved resolutely on the defining of the conditions under which indebtedness can take place. This is an essential question for the next medium-term plan.

Of course, all measures must be subject to the task which might be formulated in short as: Stopping tendencies of further growth in the level of indebtedness.

This orientation and the policy of raising loans are most directly connected. In fact it is necessary to incorporate into the policy of raising loans abroad criteria which will secure the most appropriate channeling of the supplementary accumulation in the direction of development and of reducing the country's indebtedness to foreign countries, because it is a fact that funds raised abroad have not always been used in the most appropriate manner. Their use must be aimed toward optimizing the corresponding production structures which will tomorrow be able to increase in a direct manner the economy's capacity to repay these loans and expand its export capacity.

In particular the trend toward a high level of engagement of financial credits must be stopped. It is in this respect that we have had the biggest breakthrough so far. Their conversion into dinars represents an undeniable boost to inflation of this side too.

[Question] You have already said that inflation has reached a very high rate. Though it is often a consequence of instability, inflation often becomes also a cause of instability, the economy's poor competitiveness and the devaluation of the already created values, when it exceeds a tolerable limit. This, surely, must be taken into account when defining the development policy and the economic policy measures for 1980, especially if a quieter growth of personal incomes is wanted.

[Answer] There is no doubt that with regard to the policy of prices for 1980 we must find ways to turn it into a functional part of the implementation of economic stabilization. Above all, the increase in prices is not, cannot and may not be a substitute for the struggle to improve the qualitative factors of economic activity, a substitute for higher productivity, more economic production, more efficient management of resources and better utilization of work hours. Apart from that, a stronger social influence must be achieved when prices are being changed and increased next year, naturally in keeping with the system and regime of the formation of prices which will be in force next year. However, the carrying out of the policy of prices must not be allowed to be influenced by any monopoly position in the market, pressures from individual producers and individual sociopolitical communities, artificially created shortages in the market and pressures which are an expression of selfish, particularist and other interests.

We must struggle energetically against unrealistic views and liberalist concepts according to which anyone may raise prices without bearing in mind the other producers and the consumers, the goals and tasks of the current economic policy and the overall policy of socioeconomic development.

Owing to the intensified growth of prices or, in other words the rate of inflation, and owing to the danger of the further disruption in this connection and faced with the fact that the existing mechanisms concerning the policy and social control of prices were not working, we took the decision in the middle of this year to maximize prices. As is well known, this decision is temporary in character. Data show that it has yielded definite results. However, if it remains in effect for a longer period of time it could be a cause of deeper and serious disruption. The present orientation is that an agreement between the republics and provinces on the policy of prices for 1980 should make possible a transition from the present situation, which was created by the decision to maximize prices, to a new situation.

However, in connection with the question of prices, an exceptional significance should be given to the efforts and concrete steps which should be made with the aim of accelerating the process of overcoming the strong role now played by the state in the regulating of prices and thus overcoming the confrontation between associated labor and the state, which is now very acute. In other words conditions should be created which would make possible, on the one hand, the fuller realization of the role played by associated labor and, on the other, a greater influence of the market laws on the formation of prices.

Likewise, in realizing the policy of prices or, to be more precise, in the struggle to slow down the rise of prices, the measures adopted must be aimed at weakening demand, because the monetary resources, which for the most part are formed from personal, general and investment consumption, continue to expand vigorously.

[Question] What are the consequences of the delay in the adoption of the systematic law on prices?

[Answer] The delay in the adoption of the systematic law on prices has a very unfavorable effect from the point of view of starting the new self-managing practice and relations, which would make possible a greater effect of the market and economic laws and would enable associated labor to achieve the decisive influence on the policy of prices. However, we must have no illusions and believe that the matter will be solved by merely passing this sytematic law. Nevertheless, the delay in its adoption has consequences which are negative with regard to the starting of these processes and of the social action aimed at carrying out these tasks. Consequently, it is indispensable to speed up its adoption and accelerate the work on numerous other related legal acts.

[Question] One of the central questions in the debates so far held on the policy of socioeconomic development in 1980 is the rate of growth. What could you say about this?

[Answer] There is quite a high degree of accord on the assessment according to which it is necessary to determine a more realistic rate of economic growth. At the same time, it was pointed out during debates that a more radical reduction of the rate of economic growth could constitute a serious obstacle to the further socioeconomic and sociopolitical development and aggravate some social problems and also regional development problems, and, finally, that a very low rate of growth would make it more difficult to solve the structural problems which are topical today.

Consequently, there is accord with regard to opting for a rate of growth which will contribute to the realization of the policy of economic stabilization, but which, on the other hand, will provide the necessary scope for more successful solutions to a number of vital developments and social problems. Having achieved a relatively high level of development, regardless of the fact that we still retain the characteristics of a developing country, we must place increasing stress in our development policy on the quality of development, the intensity of development and the quality of economic activity, while reducing the extensive aspect of development. This is of particular significance because the greatest part of our country's commodity trade is with the industrially developed countries of Europe. What is vital is the quality of the growth and not the extensive development at a dynamic rate.

Bearing all this in mind, the planned rate of growth of the social product is 5 percent and of industrial production 6 percent, which is lower than this year's rate of growth.

[Question] Energy is at the moment one of the basic limiting factors of further development. Is there a need for a more fundamental change in our attitude and policy in this sector?

[Answer] The question of energy is at this moment really assuming exceptional dimensions and significance for our country.

Oil producers in OPEC countries do not envisage any significant increase in production in the period up to 1985. Some of the oil-producing countries have already announced that they will reduce production. The prospect of a further rise in oil prices is quite clear in this situation.

There is no doubt that the battle for oil will intensify and grow sharper still further, because of the exceptional increase, in these conditions, of the dangers to the rate of growth in industrially developed countries, the world economy as a whole, world trade, and so forth.

This leads to the conclusion that a resolute orientation must be adopted toward the exploitation of one's own energy resources because all this is inevitable and no time should be lost in waiting for any further development of the situation.

However, the resolute orientation in this direction means in practice that it is necessary to channel considerably larger funds into this sector and that this should be done within a brief period of time. In concrete terms this means that higher prices of energy should be built into the economic policy and the policy of development. Furthermore, this means that in this connection the calculations on the profitability of investments and decisions on investments as a whole must be changed. In these conditions, i.e. conditions created by the rise in the cost of energy and the orientation toward the domestic market, we must also take into account the price increases in other sectors caused by the higher prices of energy. In summing up the consideration of this question, two basic orientations seem indisputable:

First, we should resolutely strive to increase the production of energy from domestic resources and in that connection should secure the appropriate level of funds for investing in energy, in other words secure the appropriate redistribution of accumulation.

Second, we must pursue a policy of--let me put it this way--slowing down the growth of consumption of energy. To be more precise, we must pursue a comprehensive rationalization program in the use of energy, and this means that it is necessary to have a specially formulated energy saving policy.

[Question] In the end, Comrade President, we should like to hear your comment on the disruption in the market, that is the shortage of various articles.

[Answer] The disruptions in keeping the market supplied with some important products, which manifested themselves this fall, have a number of common causes, but the shortage of some of the goods has its special causes.

With regard to the general causes, one should bear in mind the disproportion between supply and demand. For instance, the production of livestock and meat was lower this year than last year and the problem of supplying the market with meat is consequently a long-term one. Production was reduced because there was a shortfall in the production of fodder, especially corn, whose prices were consequently formed in the country at quite a high level. The situation with milk supplies is similar, because the buy-up of milk rose this year by only 0.5 percent while demand rose by about 10 percent. At the same time buy-up prices of milk were not stimulative enough in view of the fact that production costs were pushed up by higher prices of foodder for livestock.

The causes of the oscillations in supplying the market with oil derivatives, coffee and so forth are, however, different.

However, stress should be laid on those basic, common causes, which are:

First, the belated and inappropriately fixed material balance of needs, which should be done regularly by all the sociopolitical communities. The real material balance of needs--all the food products, then coal, and so forth--is the basis for realistic agreements on supplies.

Second, the organization of supplying large centers and properly drawn-up agreements on supplies, which should define all the conditions necessary to insure the appropriate level of supplying. This presupposes the precise definition of all the mutual obligations of the subjects involved in concluding the agreement.

Third, there is the insufficiently developed system of goods reserves, without which it is not possible to be safe from market disruptions. The carrying out of this task, however, presupposes considerable resources and the appropriate system of financing. Regrettably, this has not yet been solved.

If the numerous subjective shortcomings are added to this, then we will clearly arrive at an answer on the main lines of the action.

I would also add to this that the disruptions in the supplying of the market with certain goods are also taking place because of the partially closed marketing field and the resultant monopoly position of individual organizations of associated labor in the market, which in the system also enjoy the support of "their" sociopolitical organizations.

Finally, an unafavorable influence with regard to keeping markets supplied with certain goods is exercised by the fact that we are restricted as far as greater imports are concerned because trade deficit is a limiting factor. Also, it is necessary to make some changes with regard to competences concerning the importing of mass consuption goods.